

SESSION LAWS
OF
HAWAII
PASSED BY THE
SECOND STATE LEGISLATURE

REGULAR SESSION
1963

Convened on Wednesday, February 20
and
Adjourned Sine Die on Friday, May 3

CONSTITUTIONAL AMENDMENTS

Published by Authority of the
Revisor of Statutes
Honolulu, Hawaii

AUTHORITY

Section 4, Act 191, Session Laws of Hawaii 1959, provides as follows:

Section 4. Publishing of session laws. As soon as possible after the close of each session of the legislature, the revisor shall prepare for publication all laws duly enacted at such session, arranged, first the bills and then joint resolutions, in the order of their becoming law, together with a suitable index and tables showing what general statutes have been affected by such session laws.

P R E F A C E

The laws contained herein are all the laws enacted by the Legislature at its Regular Session of 1963.

In preparing this volume, the text of the original laws has been followed, including clerical errors, except those most obvious. Notes have been inserted where appropriate to explain what may otherwise appear to be printing errors.

HIDEHIKO UYENOYAMA

Revisor of Statutes

Honolulu, Hawaii
September 20, 1963

STATE OF HAWAII
ELECTED OFFICIALS AND LEGISLATIVE OFFICERS

UNITED STATES CONGRESS

Senate:

Hiram L. Fong
Daniel K. Inouye

House of Representatives:

Thomas P. Gill
Spark M. Matsunaga

STATE EXECUTIVE OFFICERS

Governor of Hawaii.....John A. Burns
Lieutenant Governor.....William S. Richardson

OFFICERS AND MEMBERS OF THE
SECOND STATE LEGISLATURE

REGULAR SESSION
1963

SENATE

President.....Nelson K. Doi
Vice-President.....Kazuhisa Abe
Clerk.....Seichi Hirai

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Nelson K. Doi (D)
William H. Hill (R)
Benjamin Menor (D)
John T. Ushijima (D)

Fourth District—(Oahu)

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O. Vincent Esposito (D)
Yasutaka Fukushima (R)
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John J. Hulten (D)
Mitsuyuki Kido (D)
Patsy T. Mink (D)
Sakae Takahashi (D)

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Harry M. Field (D)
S. George Fukuoka (D)
Thomas S. Ogata (D)
Nadao Yoshinaga (D)

Sixth District—(Kauai)

Francis M. F. Ching (R)
Noboru Miyake (R)
Clinton I. Shiraishi (R)

D—Democrats 15
R—Republicans 10

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Vice-Speaker.....	William M. Furtado
Clerk.....	Shigeto Kanemoto

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Second District—(Hawaii)

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Toshio Serizawa (D)

Third District—(Hawaii)

Yoshito Takamine (D)

Fourth District—(Hawaii)

Takeshi Kudo (D)

Fifth District—(Hawaii)

Akoni Pule (D)

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Pedro Dela Cruz (D)

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Mamoru Yamasaki (D)

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Twelfth District—(Oahu)

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Rudolph Pacarro (D)

Thirteenth District—(Oahu)

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Ambrose Rosehill (R)

Eighteenth District—(Kauai)

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Manuel Henriques (D)

Tony T. Kunimura (D)

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Session Laws of Hawaii
Passed by the
Second State Legislature
Regular Session
1963

ACT 1

A Bill for an Act Appropriating Money for the Pre-Session and Other Expenses of the General Session of 1963 of the Second State Legislature of the State of Hawaii, for the Payment of Allowances for Personal Expenses of the Members of the Legislature, for the Payment of Expenses of any Committee or Committees of the Legislature for the Period Specified Herein, for Removing any Limitations Imposed by Section 5-16 of the Revised Laws of Hawaii 1955, as Amended, or any Other General Statute; and for the Payment of Allowances for Personal Expenses of Members of the Legislature.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. There is hereby appropriated from the general funds of the State the sum of \$585,000, or so much thereof as may be necessary, for defraying the pre-session and other expenses of the Senate for the General Session of 1963, Second State Legislature of the State of Hawaii, up to and including February 18, 1964.

SECTION 2. There is hereby appropriated from the general funds of the State the sum of \$825,000, or so much thereof as may be necessary, for defraying the pre-session and other expenses of the House of Representatives for General Session of 1963, Second State Legislature of the State of Hawaii, up to and including February 18, 1964.

SECTION 3. Any unencumbered balance of the appropriations provided for in sections 1 and 2 remaining at the close of the General Session of 1963 is hereby appropriated to defray the expenses of any committee or committees established by either the Senate or the House of Representatives, respectively. Payment of such expenses shall be made only with the approval of either the President of the Senate or the Speaker of the House of Representatives, respectively.

SECTION 4. Before February 19, 1964, the Senate and the House of Representatives shall have its accounts audited and a full report of such audit shall be presented to the Senate and to the House of Representatives of the legislature convening on February 19, 1964.

SECTION 5. The expenses of any member of the legislature while traveling abroad on official business of the legislature shall not be limited by the provision of section 5-16 of the Revised Laws of Hawaii

ACT 2

1955, as amended, or by any other general statute. The expenses of such member shall be the higher sum allowed by section 2-20 of the Revised Laws of 1955 amended, and authorized by the President of the Senate or the Speaker of the House of Representatives, respectively.

SECTION 6. Each section of this Act is hereby declared to be severable from the remainder of this Act.

SECTION 7. This Act shall take effect upon its approval.

(Approved February 28, 1963.) **S.B. 3.**

ACT 2

A Bill for an Act Relating to Reorganization of the State Government, the Establishment of a Department of Planning and Economic Development, the Transfer of Powers and Functions Thereto and the Abolition of Certain Agencies.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 14A of the Revised Laws of Hawaii 1955, as amended, is hereby amended as follows:

(a) Sec. 14A-24 is hereby amended by inserting the words "planning and" before the words "economic development" wherever they appear therein.

(b) The land use commission is hereby placed in the department of planning and economic development for administrative purposes. The functions, duties and powers, subject to the administrative control of the director of planning and economic development, and the composition of the commission shall be as heretofore provided by law, provided that the director of planning and economic development shall serve as an ex officio voting member.

(c) Sec. 14A-9 is hereby deleted in its entirety.

SECTION 2. **Transfer.** Functions, personnel, appropriations, records, equipment and other property of or under the department of planning and research shall be transferred by executive order not later than July 1, 1963 to the department of planning and economic development. Upon such transfer, the department of planning and research and the office of director of such department shall stand abolished; provided that until such time, the department and director shall continue to discharge their duties and functions to the same extent as was done immediately prior to the effective date of this Act. The provisions of chapter 14A, Revised Laws of Hawaii 1955, as amended, shall be applicable unless they are inconsistent with the provisions of this Act.

SECTION 3. **Amendment of conflicting laws.** All laws and parts of laws heretofore enacted which are in conflict with the provisions of this Act are hereby amended to conform herewith. All acts passed during this general session of 1963, whether enacted before or after the passage of this Act, shall be amended to conform to this Act, unless such Acts specifically provide that this Act is being amended.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 11, 1963.) **H.B. 49.**

ACT 3

A Bill for an Act to Amend Section 184-10, Revised Laws of Hawaii 1955, Relating to Approval of Building Plans.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 184-10 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the word "ten" in the first sentence of the last paragraph thereof and substituting therefor the word "twenty".

SECTION 2. This Act shall take effect upon its approval.

(Approved April 13, 1963.) **H.B. 101.**

ACT 4

A Bill for an Act Relating to the Keeping of Political Party Membership Lists by County Clerks, and Amending Section 144-54 and Chapter 149 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 144-54, Revised Laws of Hawaii 1955, is hereby amended by adding at the end thereof a new subsection to be designated and to read as follows:

"(d) Accept membership lists from the county committees of political parties and shall maintain a filing system to preserve such lists accurately."

SECTION 2. Chapter 149, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new section to be appropriately numbered and to read as follows:

"Sec. 149- Political parties membership lists, duty of the city clerk. The city clerk of the city and county of Honolulu shall accept membership lists from the county committees of political parties and shall maintain a filing system to preserve such lists accurately."

SECTION 3. This Act shall take effect upon its approval.

(Approved April 22, 1963.) **H.B. 7.**

ACT 5

A Bill for an Act Relating to False Advertising and Amending Chapter 289, Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 289-14 of the Revised Laws of Hawaii 1955, is hereby amended by deleting the word "penalty" from the title; by amending all of said section up to and including the semicolon which appears after the word "misdemeanor" which appears in line 21 to read as follows:

"Any person, firm, corporation, or association, or agent or employee thereof, who, with the intent to sell, purchase, or in any wise dispose of or to contract with reference to, merchandise, securities, real estate,

service, employment or anything offered by such person, firm, corporation, or association, or agent or employee thereof, directly or indirectly, to the public for sale, purchase or distribution, or the hire of personal services, or with intent to increase the consumption of or to contract with reference to, any merchandise, real estate, securities, service, or employment, or to induce the public in any manner to enter into any obligation relating thereto or to acquire title thereto, or an interest therein, or to make any loan, makes, publishes, disseminates, circulates, or places before the public, or causes, directly or indirectly, to be made, published, disseminated, circulated or placed before the public, in this State, in a newspaper, magazine, or other publication, or in any form of a book, notice, circular, pamphlet, letter, handbill, poster, bill, sign, placard, card, label, or in any other way, or over any radio or television station, or other medium of wireless communication, or in any other way similar or dissimilar to the foregoing, an advertisement, announcement or statement, of any sort regarding merchandise, securities, service, employment, or anything so offered for use, purchase, or sale, or the interest, terms, or conditions upon which such loan will be made to the public, which advertisement contains any assertion, representation or statement of fact which is untrue, deceptive or misleading, shall be guilty of a misdemeanor;”;

by deleting the last sentence beginning with the words, “Whoever is convicted”; and by adding the following paragraphs at the end of the section:

“In determining whether or not advertising is deceptive or misleading, there shall be taken into account, in addition to the above, the extent to which the advertising fails to reveal facts material in the light of representations made or suggested in a positive manner, or as part of a plan or scheme with intent not to sell as so advertised or at the price stated therein.”

“Any statement, however expressed, whether in words, phrases, price figures, symbols, fractions, percentages or otherwise, which represents or implies a reduction or saving from an established retail price, or from the advertiser’s former price, used in connection with the price at which an article is offered for sale, shall be deemed to be false, deceptive or misleading, unless,

“(a) the saving or reduction statement applies to the specific article offered for sale as distinguished from similar or comparable merchandise,

“(b) the saving or reduction is from the usual and customary retail price of the article in the trade area, or areas, where the statement is made, or the saving or reduction is from the advertiser’s usual and customary retail price of the article in the recent, regular course of business, and,

“(c) the statement clearly shows whether the saving or reduction is from the usual and customary retail price of the article in the trade area or from the advertiser’s usual and customary retail price of the article in the recent, regular course of business.

“The failure to sell any property or service advertised, or the refusal to sell at the price at which it was advertised, or in accordance with other terms and conditions of the advertisement shall create a rebuttable presumption of an intent to violate the provisions of this Act.”

SECTION 2. Section 289-15.3, Revised Laws of Hawaii, is hereby amended by renumbering said section to section 289-14.3.

SECTION 3. Section 289-16, Revised Laws of Hawaii 1955, is hereby amended by renumbering said section to section 289-14.5 and by deleting the last paragraph beginning with the words "Any person who violates".

SECTION 4. Section 289-15, Revised Laws of Hawaii 1955, is hereby amended by adding the words, "or the attorney general or any county attorney" after the words, "trade association" in the first paragraph and adding, "289-14.3 and 289-14.5" after, "289-14" wherever "289-14" appears in the section.

SECTION 5. Section 289-15.5, Revised Laws of Hawaii 1955, is hereby amended to read:

"Section 289-16. Penalty. Any person, including any responsible officer or employee of a firm or corporation, who violates or knowingly aids in the violation of any of the provisions of sections 289-14, 289-14.3, 289-14.5 and 289-15, including any order or injunction issued pursuant to such sections shall be fined not more than \$500 or imprisoned not more than three months, or both."

SECTION 6. Chapter 289, Revised Laws of Hawaii 1955, is hereby amended by adding the following:

"Section 289-16.3. Assurance of discontinuance. In the enforcement of sections 289-14, 289-14.3, 289-14.5, and 289-15 above, the attorney general or county attorney may accept an assurance of discontinuance of any act or practice alleged to be in violation of one or more of said sections, from any person engaging in, or who was engaged in, such acts or practices. Any such assurance shall be in writing and be filed with the clerk of the circuit court of the county in which the alleged violator resides or has his principal place of business. The assurance of discontinuance shall be signed by such person and shall contain a statement describing the acts or practices for which the assurance of discontinuance is being given and the specific sections of the law prohibiting such acts or practices. A violation of such assurance shall constitute a rebuttable presumption of a violation of the sections designated therein."

SECTION 7. This Act shall take effect upon its approval.

(Approved April 22, 1963.) **H.B. 8.**

ACT 6

A Bill for an Act Amending Section 3-21(o), Revised Laws of Hawaii 1955, as Amended, Relating to Maternity Leave.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The first sentence of section 3-21(o), Revised Laws of Hawaii 1955, as amended, is further amended to read:

"Any regular employee who has had more than one year of service in the civil service immediately prior to the application shall be entitled to apply in writing to her department head or other superior officer for

and to receive upon such application maternity leave without pay from her office or employment for a period of twelve months or for any part of such period, as shall be provided by rule, such leave to commence no later than six weeks before the expected date of birth and to end no sooner than six weeks after actual date of birth."

SECTION 2. This Act shall take effect upon its approval.

(Approved April 26, 1963.) **H.B. 122.**

ACT 7

A Bill for an Act Relating to Foreign-Trade Zones.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. **Purpose.** The purpose of this Act is to enable public corporation in the State to make application to the Foreign-Trade Zones Board of the United States for the purpose of establishing, operating and maintaining foreign-trade zones in the State as part of a proposed international trade complex to encourage economic development in the State, and to authorize the public corporation whose application is granted to establish, operate and maintain a foreign-trade zone.

SECTION 2. **"Act of Congress" defined.** As used in this Act, "Act of Congress" means the Act of Congress approved June 18, 1934, entitled, "An act to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes," and the amendments thereto.

SECTION 3. **"Public corporation" defined.** As used in this Act, "Public corporation" means the State of Hawaii, any political subdivision thereof, and municipality therein, or any public agency of the State.

SECTION 4. **Designation and approval of governor for application.** Any public corporation which has been duly designated and approved by the governor may make application to the Foreign-Trade Zones Board of the United States for the purpose of establishing, operating and maintaining a foreign-trade zone in accordance with the Act of Congress in any port of entry in the State.

SECTION 5. **Grant of authority to governor; rules and regulations.** The governor is authorized to do all things necessary and proper to carry into effect the establishing, maintaining, and operating of foreign-trade zones, and to make such rules and regulations concerning the operation, maintenance, and policing of the zone as may be necessary to comply with the Act of Congress. All rules and regulations established under this Act shall be adopted and promulgated pursuant to the Hawaii administrative procedure act, chapter 6C, Revised Laws of Hawaii 1955, as amended.

SECTION 6. **Setting aside public lands; lease, license and permits.** Notwithstanding any law to the contrary, the governor may set aside public lands to a public corporation for the purpose of this Act and

such corporation may, by negotiation and without recourse to public auction, lease, rent or let such lands or any part thereof or any interest therein, including concessions and concession space, by lease, license or permit on such terms and conditions set by the corporation.

SECTION 7. Establishment, operation and maintenance of zone. Any public corporation authorized pursuant to this Act to make such application and whose application is granted pursuant to the terms of the Act of Congress may establish, operate, and maintain the foreign-trade zone:

(a) Subject to the conditions and restrictions of the Act of Congress, and any amendments thereto;

(b) Under such rules and regulations and for the period of time that may be prescribed by the board established by the Act of Congress to carry out the provisions of the Act.

SECTION 8. Powers; indemnity or assurance to the United States and deposits with United States. If authorized to establish, operate and maintain a foreign-trade zone, a public corporation may, in addition to its other powers:

(a) Provide for such indemnity or assurance to the United States or its agencies as they may request;

(b) Deposit such sums of money with the United States as the United States or its agencies may request, providing such money is available therefor by direct appropriation or otherwise.

SECTION 9. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this Act is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Act.

SECTION 10. This Act shall take effect upon its approval.

(Approved April 29, 1963.) **H.B. 17.**

ACT 8

A Bill for an Act Relating to Real Property Taxation, Amending Section 128-13 and Repealing Section 128-24, Revised Laws of Hawaii 1955 as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 128-13 (a) (2) of the Revised Laws of Hawaii 1955 as amended is hereby further amended by deleting the figures "\$4,899" and inserting in lieu thereof the following: "\$4,999".

SECTION 2. Section 128-24 of the Revised Laws of Hawaii 1955 as amended is hereby repealed.

SECTION 3. The amendment of section 123-13 (a) (2) shall take effect on January 1, 1964 and the repeal of section 128-24 shall take effect upon the approval of this Act.

(Approved April 29, 1963.) **H.B. 60.**

ACT 9

A Bill for an Act Relating to Fees and Compensation of Real Estate Brokers and Salesmen and Amending Subsection 170-12(n) of the Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subsection 170-12(n) of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"(n) Splitting fees with or otherwise compensating others not licensed hereunder for referring business; provided, however, that a licensed broker may pay a commission to a licensed broker of another state if such broker does not conduct in this State any of the negotiations for which a commission is paid."

SECTION 2. This Act shall take effect upon its approval.

(Approved April 29, 1963.) **H.B. 183.**

ACT 10

A Bill for an Act Relating to Reorganization of the Department of Land and Natural Resources.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 14A-20 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the second and third paragraphs thereof in their entirety and substituting in lieu thereof the following:

"The board shall consist of six members, one from each land district and two at large. The appointment, tenure and removal of the members and the filling of vacancies on the board shall be as provided in section 14A-3 of this chapter. The governor shall appoint the chairman of the board from among the members thereof.

"The board may delegate to the chairman such duties, powers and authority, or so much thereof, as may be lawful or proper for the performance of the functions vested in the board.

"The chairman of the board shall serve in a full-time capacity, and shall be compensated therefor in the sum of \$18,500.00 per annum. He shall, in such capacity, perform such duties, and exercise such powers and authority, or so much thereof, as may be delegated to him by the board as hereinabove provided."

SECTION 2. **Amendment of conflicting laws.** All laws and parts of laws heretofore enacted which are in conflict with the provisions of this Act are hereby amended to conform herewith. All acts passed during this general session of 1963, whether enacted before or after passage of this Act, shall be amended to conform to this Act, unless such acts specifically provide that this Act is being amended.

SECTION 3. If any provision of this Act or the application of such provision to any circumstance is held invalid, the remainder of the chapter or the application of the provision to other circumstances, shall not be affected thereby.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 30, 1963.) **H.B. 38.**

ACT 11

An Act Relating to Mineral Rights in the State of Hawaii, Providing for the Reservation of Such Rights to the State in State Lands, the Lease of Such Rights and the Payment of Rentals and Royalties Therefor, and Regulation of Strip Mining.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Title 12 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new chapter numbered 99A, including new sections numbered 99A-1 to 99A-15, inclusive, to read as follows:

"CHAPTER 99A. RESERVATION AND DISPOSITION OF GOVERNMENT MINERAL RIGHTS.

Sec. 99A-1. Definitions. In this chapter, if not inconsistent with the context:

(a) 'Minerals' means any or all of the oil, gas, coal, phosphate, sodium, sulphur, iron, titanium, gold, silver, bauxite, bauxitic clay, diaspore, boehmite, laterite, gibbsite, alumina, all ores of aluminum and, without limitation thereon, all other mineral substances and ore deposits whether solid, gaseous, or liquid, in, on, or under any land; but does not include sand, rock, gravel and other materials suitable for use and used in road construction.

(b) 'Board' means board of land and natural resources.

(c) 'Reserved lands' means those lands owned or leased by any person in which the State or its predecessors in interest has reserved to itself expressly or by implication the minerals or right to mine minerals, or both.

(d) 'State lands' includes all public and other lands owned or in possession, use and control of the then Territory of Hawaii or the State of Hawaii or any of its agencies and the provisions of this chapter shall apply thereto.

(e) 'Occupier' means any person entitled to the possession of land under a certificate of occupation, a right of purchase lease, a cash freehold agreement, or under a deed, grant or patent, and any person entitled to possession under a general lease, and also means and includes the assignee of any one of the above.

(f) 'Force majeure' means any fire, explosion, flood, volcanic activity, seismic or tidal wave, mobilization, war (whether declared or undeclared), act of any belligerent in any such war, riot, rebellion, the elements, power shortages, strike, lock-out, difference of workmen, any cause which prevents the economic mining of the lease, or any other cause beyond the reasonable control of the party affected, whether or not of the nature or character hereinabove specifically enumerated.

(g) 'Mining operations' means the process of excavation, extraction and removal of minerals from the ground, design engineering, other engineering, erection of transportation facilities and port facilities, erection of necessary plants, other necessary operations or research or development approved by the board preceding or connected with the actual extraction of minerals.

Sec. 99A-2. Mineral rights reserved to the State.

(a) All minerals in, on or under state lands or lands which hereafter become state lands are reserved to the State; provided, that the board may release, cancel or waive such reservation whenever it deems the land use, other than mining, is of greater benefit to the State as provided for in section 99A-4. Such minerals are reserved from sale or lease except as provided in this law. A purchaser or lessee of any such lands shall acquire no right, title or interest in or to such minerals. The right of such purchaser or lessee shall be subject to the reservation of all such minerals and to the conditions and limitations prescribed by law providing for the State and persons authorized by it to prospect for, mine and remove such minerals, and to occupy and use so much of the surface of the land as may be required for all purposes reasonably extending to the mining and removal of such minerals therefrom by any means whatsoever.

(b) Subject to the provisions of section 99A-2(a), all land patents, leases, grants or other conveyance of state lands shall be subject to and contain a reservation to the State of all such minerals, and shall also contain a reservation to the State, and persons authorized by it, of the right to prospect for, mine and remove such minerals by deep mining, strip mining, drilling and any other means whatsoever, and to occupy and use so much of the surface as may be required therefor.

Sec. 99A-3. Bond; compensation to occupiers.

(a) Every lessee of a mining lease granted under this chapter and every assignee thereof shall file with the board a bond, in a form and in an amount approved by the board, made payable to the State and which shall be conditioned upon the faithful performance by the lessee of all the requirements of this chapter and of the mining lease, and also conditioned upon the full payment by the lessee of all damages suffered by the occupiers hereinunder mentioned. If the State sells or leases its mineral rights on land which it or its predecessors in interest have granted or leased, or which it may hereafter sell or lease, and the occupier thereof is damaged due to injury to his crops or improvements or to the surface or condition of his land caused by any mining or other incidental operations, including exploratory work, or by the failure of the lessee of the mining lease to properly restore the land after termination of such operations, such occupier shall be reimbursed the full extent of the damages caused by the mining operations of the lessee so long as the occupier was not granted a mining lease without public auction under the provisions of section 99A-5.

(b) Nothing herein shall be construed to prevent the occupier from demanding and receiving rentals from the lessee of the mining lease or to forbid and prevent the occupier and such lessee from agreeing upon the amount of damages to be paid the occupier and the terms and conditions of payment. The occupier may in writing before or within thirty days after the public auction notify the board that he elects to have the amount of damages and the amount of rentals to be paid as a result of the mining lease determined by arbitration with the successful bidder. In such event, the occupier shall notify the successful bidder of his election to arbitrate, and the arbitration shall proceed in accordance with the provisions of chapter 188 of the Revised Laws of Hawaii 1955.

The arbitrators in fixing the amount of damages to be paid to the occupier shall award him the amount which in their judgment shall fairly compensate the occupier for the damages he may suffer to his crops or improvements or to the surface or condition of his land caused by the mining or other incidental operations, including exploratory work, and a reasonable rental for the use of the surface.

Sec. 99A-4. Mining leases on state lands. If any mineral is discovered or known to exist on state lands, any interested person may notify the board of his desire to apply for a mining lease. Such notice shall be accompanied by a fee of \$100 together with a description of the land desired to be leased and the minerals involved and such information and maps as the board by regulation may prescribe. As soon as practicable thereafter, the board shall cause a notice to be published in a newspaper of general circulation in the county where such lands are located, at least once in each of three successive weeks, setting forth the description of the land, and the minerals desired to be leased. The board may hold the public auction of such mining lease within six months from the date of the first publication of notice or such further time as may be reasonably necessary. Whether or not the state land sought to be auctioned is then being utilized or put to some productive use, the board, after due notice of public hearing to all parties in interest, within six weeks from the date of the first publication of notice or such further time as may be reasonably necessary, shall determine whether the proposed mining operation or the existing or reasonably foreseeable future use of the land would be of greater benefit to the State. If the board shall determine that the existing or reasonably foreseeable future use would be of greater benefit to the State than the proposed mining use of such land, it shall disapprove the application for a mining lease of such land without putting the land to auction. The board shall determine the area to be offered for lease and, after due notice of public hearing to all parties in interest, may modify the boundaries of the land areas. At least thirty days prior to the holding of any public auction, the board shall cause a notice to be published in a newspaper of general circulation in the State at least once in each of three successive weeks, setting forth the description of the land, the minerals to be leased, and the time and place of the auction. Bidders at the public auction shall bid on the amount of annual rental to be paid for the term of the mining lease based on an upset price fixed by the board.

Sec. 99A-5. Mining leases on reserved lands. If any mineral is discovered or known to exist on reserved lands, any interested person may notify the board of his desire to apply for a mining lease. Such notice shall be accompanied by a fee of \$100 together with a description of the land desired to be leased and the minerals involved and such information and maps as the board may by regulation prescribe. The board may grant a mining lease on reserved lands in accordance with the provisions of section 99A-4, or the board may, by the vote of two-thirds of its voting members, without public auction, grant a mining lease on reserved lands to the occupier thereof. Such a mining lease may be granted to a person other than the occupier if the occupier has assigned his rights to apply for a mining lease to another person, in which case

only such an assignee may be granted a mining lease. If the occupier or his assignee of the right to obtain a mining lease should fail to apply for a mining lease within six months from the date of notice from the board of a finding by the board that it is in the public interest that the minerals on such reserved lands be mined, a mining lease shall be granted under the provisions of section 99A-4; provided that bidders at the public auction shall bid on an amount to be paid to the State for a mining lease granting to the lessee the right to exploit minerals reserved to the State.

Sec. 99A-6. Exploration. Any person wishing to conduct exploration on such state lands shall apply to the board who shall issue exploration permits upon such terms and conditions as it shall by regulation prescribe. During and as a result of such exploration, no minerals of such types and quantity beyond that reasonably required for testing and analysis shall be extracted and removed from such state lands. Upon termination of the exploration permit, the drill logs and the results of the assays resulting from the exploration shall be turned over to the board and kept confidential by the board. If such person shall not make application for a mining lease of such lands within a period of six months from the date such information is turned over to the board, the board in its discretion need not keep such information confidential.

Sec. 99A-7. Lease. Prior to the public auction contemplated in sections 99A-4 or 99A-5, or the granting of mining lease without public auction contemplated in section 99A-5, the board shall cause a mining lease for the land in question to be drawn. Such lease shall describe the land and shall contain, in addition to such other provisions which the board may deem appropriate, provisions to the following effect:

(a) The term of the lease shall be sixty-five years or for a lesser period at the discretion of the board.

(b) The payment of royalties to the State shall be fixed by the board; provided, that in the case of bauxite, bauxitic clay, gibbsite, diaspore, boehmite and all ores of aluminum, the amount of royalties for each long dry ton of ore as beneficiated shall not be less than twenty-five cents or the equivalent of the price of one pound of virgin pig aluminum, whichever is higher, nor shall it exceed the equivalent of the price of three pounds of virgin pig aluminum; provided further, that the rate of royalty for ore processed into aluminous oxide in the State shall be set at eighty per cent of the rate of royalty for ore not processed to aluminous oxide in the State, and provided further, that said royalty shall be fixed at a rate which will tend to encourage the establishment and continuation of the mining industry in the State. The prices of virgin pig aluminum for the purpose of determining the royalties hereunder shall be the basic price on the mainland United States market for virgin pig, not refined, f.o.b. factory. Such royalties shall be in lieu of any severance or other similar tax on the winning, beneficiating, handling, storing, treating, or transporting of the mineral or any product into which it may be processed in the State, and shall not be subject to reopening or renegotiating for and during the first twenty years of the lease term.

In the event the lessee desires to mine other minerals, such lessee shall, before mining such minerals, so notify the board in writing, and

the board and the lessee shall negotiate and fix the royalties for such minerals.

(c) The lessee shall covenant and agree that the lessee shall commence mining operations upon the leased lands within three years from the date of execution of such lease; provided, that so long as the lessee is actively and on a substantial scale engaged in mining operations on at least one such lease on the same minerals, such covenant shall be suspended as to all other leases held by such lessee.

Any interested party may, however, request that a mining lease contain a research period under which the lessees shall be required to expend money in research and development to establish a method to make economical the mining and processing of the mineral deposits contained in the lease. If the board determines that such research period would be beneficial it shall fix the period of research and shall also fix a minimum expenditure for labor performed or money spent by the lessee in research and development and the method by which the lessee shall establish that such expenditure in fact be made. In such leases, the obligation to commence mining operations within three years shall not commence until the expiration of the research period.

(d) For the period of the lease the lessee shall have the exclusive right of possession of the minerals leased and the exclusive rights to mine and remove said minerals by means which shall be reasonable and satisfactory to the board and to occupy and use so much of the surface of the land as may reasonably be required, subject to the provisions of section 99A-3 herein. The right to use the surface shall include the right to erect transportation facilities thereon, construct plants for beneficiating, drying and processing said minerals and such other uses as may be necessary or convenient to the winning and processing of the minerals; provided, that the lessee shall comply with all water and air pollution control laws, rules and regulations of the State or its political subdivisions.

(e) The lessee may retain all minerals separated from the land as a part of the process of mining the minerals specified in the mining lease; provided, that the lease may prescribe the accounting and testing procedures by which the amount and quality of such additional materials shall be determined for the purpose of computing the severance or excise taxes thereon.

Sec. 99A-8. Number of leases; area covered by lease. There shall be no limit upon the number of mining leases that may be granted to any person undertaking any mining operations. No lease shall grant and include an area of land exceeding four square miles of contiguous land, in which the longest dimension of the area demised shall exceed its narrowest dimension by more than six times.

Sec. 99A-9. Deposit; first year's rental. All bidders shall prior to the date of public auction post with the board a deposit of \$500. The board shall refund to unsuccessful bidders such amount within two days after the auction. All bidders, prior to the auction, shall satisfy the board of their financial ability to conduct mining operations and of their capability to develop a mine. The successful bidder shall pay to the board the amount of the first year's rental within two days after the acceptance of the bid by the board and the \$500 deposit shall be

credited against such sum. If the deposit exceeds the first year's rental, the excess shall be refunded. All rentals thereafter are payable in advance once a year.

Sec. 99A-10. Revocation of mining leases. A mining lease may be revoked if the lessee fails to pay rentals when due or if any of the terms of the lease or of law are not complied with, or if the lessee wholly ceases all mining operations for other than reasons of force majeure or the uneconomic operation of such mining lease for a period of one year without the written consent of the board; provided, that the board shall give the lessee notice of any default and such lessee shall have six months from the date of such notice to remedy such default.

Sec. 99A-11. Assignment. Any mining lease may be assigned in whole or in part, subject to the approval of the board, to an assignee who shall have the same qualifications as any bidder for a mining lease. The assignee shall be bound by the terms of the lease to the extent as if such assignee were the original lessee. The approval of the assignment by the board shall release the assignor from any liabilities or duties under the mining lease as to the portion thereof assigned except for any liability or duty which arose prior to the approval of such assignment by the board and which remains unsatisfied or unperformed.

Sec. 99A-12. Acquisition of rights-of-way. The State may, at its discretion, acquire by eminent domain, by negotiation or otherwise, such real property, rights-of-way and interest in, over, across, under, and through any real property which may be necessary for the transportation or communication facilities in connection with any mining operations and may assign, lease or otherwise transfer such property or rights to persons or corporations engaged in mining operations.

Sec. 99A-13. Surrender of mining leases. Any lessee of a mining lease, who has complied fully with all the terms, covenants, and conditions of the existing lease, may, with the consent of the board, surrender at any time and from time to time all or any part of a mining lease or the land contained therein upon payments as consideration therefor two years' rent prorated upon the portion of the lease or land surrendered. The lessee shall thereupon be relieved of any further liability or duty with respect to the land or lease so surrendered; provided, that nothing herein contained shall constitute a waiver of any liability or duty lessee may have with respect to the land or lease surrendered as a result of any previous activities conducted on such land or under such lease. Upon the termination, cancellation or surrender of any mining lease or any portion thereof, the lessee shall have the right to remove any and all equipment, buildings and plants placed on the land surrendered by the holder of the mining lease. A mining lease may also be surrendered if as a result of a final determination by a court of competent jurisdiction, the lessee is found to have acquired no rights in or to the minerals on reserved lands, nor the right to exploit the same, pursuant to the said lease, and, in such event, the lessee shall be reimbursed for rentals paid to the State pursuant to the said lease.

Sec. 99A-14. Rules and regulations. Subject to the provisions of Act 103, Session Laws of Hawaii 1961, the board may make, promulgate and amend such rules and regulations as it deems necessary to carry out the provisions of this chapter and to perform its duties thereunder,

all commensurate with and for the purpose of protecting the public interest. All such rules and regulations shall have the force and effect of law.

Sec. 99A-15. Other use of surface of state lands. Where mining leases are granted on state lands, the board may reserve to the State the right to lease, sell or otherwise dispose of the surface of the lands embraced within such lease. Such lease, sale or other disposal of the surface, if made, shall be subject to the rights of the holder of the mining lease."

SECTION 2. The provisions of chapter 98C, Revised Laws of Hawaii 1955, as amended, shall apply to state lands.

SECTION 3. If any provisions of this Act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 3, 1963.) **S.B. 79.**

ACT 12

A Bill for an Act Amending Section 5-96 of the Revised Laws of Hawaii 1955, Relating to Public Employment.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 5-96 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the period (.) following the word "prescribe" in the second sentence thereof and inserting a comma (,) therefor and the following words and punctuation thereafter: "provided that such statement shall not require the registrant to answer any question of the registrant's personal history beyond five years with respect to or in connection with any matters relating to communist, fascist or any subversive activity or association of any kind whatsoever."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 3, 1963.) **H.B. 362.**

ACT 13

A Bill for an Act Relating to the Statute of Limitations.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 241-12 Revised Laws of Hawaii 1955, is hereby amended by deleting the period at the end of said section and adding "or at any time while such disability exists."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 3, 1963.) **H.B. 852.**

ACT 14

A Bill for an Act to Amend Section 3-1 (a) Revised Laws of Hawaii 1955, Relating to Merit Principles of Public Employment.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 3-1 (a) Revised Laws of Hawaii 1955 is hereby amended by adding to the end thereof the following sentences:

"No person shall be discriminated against in any case because of any physical handicap, in examination, appointment, reinstatement, re-employment, promotion, transfer, demotion, or removal, with respect to any position the duties of which, in the opinion of the director, may be efficiently performed by a person with such a physical handicap, provided that such employment will not be hazardous to the appointee or endanger the health or safety of his fellow employees or others."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 3, 1963.) **H.B. 958.**

ACT 15

A Bill for an Act Relating to Transportation of Wild Birds, Amending Section 21-153.5 of the Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 21-153.5 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Section 21-153.5. Transportation of wild birds from the State of Hawaii prohibited; penalty. It shall be unlawful for any person to transport or cause to be transported by any means any wild bird from any part of the State of Hawaii; provided, that specimens of wild birds required for scientific or educational purposes may be exported from the State of Hawaii only when authorized under permits to be issued by the board of land and natural resources. Any person violating the provisions of this section shall be fined not more than \$1,000, or imprisoned not more than one year, or both."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **H.B. 83.**

ACT 16

A Bill for an Act Amending Subsection 3-21(j) of the Revised Laws of Hawaii 1955, as Amended, Relating to Persons Ineligible for Appointment in the Civil Service.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subsection 3-21(j) of the Revised Laws of Hawaii 1955, as amended, shall be further amended to read as follows:

"(j) Person ineligible for appointment. No person who has committed or attempted any deception or fraud in connection with any

application or examination, shall be eligible for any appointment in the civil service."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **H.B. 535.**

ACT 17

A Bill for an Act Amending Chapter 140, Revised Laws of Hawaii 1955, as Amended, Relating to Revenue Bonds.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 140 of the Revised Laws of Hawaii, 1955, as amended, is hereby amended by adding a new section thereto to be appropriately numbered and to read as follows:

"Sec. Refunding revenue obligations. Whenever any municipality shall have outstanding any revenue bonds and the governing body shall determine that it will be financially sound and advantageous to the municipality to refund such outstanding bonds, the governing body shall have power by resolution to provide for the issuance of refunding revenue bonds with which to take up and refund such outstanding revenue bonds or any part thereof at or before the maturity or redemption date thereof, with the right in the governing body to include various series and issues of such outstanding revenue bonds in a single issue of refunding revenue bonds, and to issue refunding revenue bonds to pay any redemption premium and interest to accrue and become payable on the outstanding revenue bonds being refunded and to establish reserves for such refunding revenue bonds, and also to issue revenue bonds partly to refund outstanding revenue bonds and partly for the construction or acquisition of improvements and additions to and extensions of the undertaking for the construction or acquisition of which said outstanding revenue bonds were issued. Such refunding revenue bonds shall be payable solely from the revenues of such undertaking, and shall only be a valid claim as against such revenues. The net interest cost to the municipality over the life of any issue of such refunding revenue bonds shall not exceed six per centum per annum, and the interest rate or rates thereon shall not be limited by the interest rate or rates borne by any of the revenue bonds to be refunded thereby. Such refunding revenue bonds shall, in the discretion of the governing body, be exchanged at par for the revenue bonds which are being refunded or shall be sold at public or private sale in such manner and at such price or prices as the governing body shall deem for the best interest of the municipality, and may be issued and delivered at any time prior to the date of maturity or redemption date of the bonds to be refunded that the governing body determines to be in the best interest of the municipality. Said refunding revenue bonds shall, except as specifically provided in this section, be issued in accordance with the provisions with respect to revenue bonds set forth in chapter 140 Revised Laws of Hawaii, 1955, as amended. The proceeds derived from the sale of refunding revenue bonds issued hereunder shall be invested in obligations of, or guaranteed by, the United States government pend-

ing the time such proceeds are required for the purposes for which such refunding revenue bonds are issued, and to further secure such refunding revenue bonds the governing body may contract with the purchasers thereof with respect to the safekeeping and application of the proceeds thereof and the safekeeping and application of the earnings of such investments. The determination of the governing body with respect to the financial soundness and advantage of the issuance and delivery of refunding revenue bonds authorized hereby shall be conclusive, but nothing herein shall require the holders of any outstanding revenue bonds being refunded to accept payment thereof otherwise than as provided in said bonds."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **H.B. 1091.**

ACT 18

An Act Amending Section 138-14, Revised Laws of Hawaii 1955, as Amended, Relating to Interest on Deposits.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 138-14, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Section 138-14. Interest on deposits. If any money deposited by the treasurer of the county (or in the case of the city and county of Honolulu the director of finance), under the provision of section 138-13, belongs to the waterworks funds, then any interest received on the same shall be paid into and credited to such funds, and if any money so deposited belongs to a bond fund, then any interest received on the same shall be paid into and credited to the fund which provides for the payment of interest on bonds."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **S.B. 577.**

ACT 19

An Act Relating to Meetings of the Legislative Bodies of the Counties.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 138, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section to be appropriately numbered by the revisor of statutes and to read as follows:

"Section 138-..... All meetings, regular or special, may be held at such places within the county other than the county seat as the board of supervisors or the city council shall so designate."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **S.B. 646.**

ACT 20

An Act to Amend Section 36-3, Revised Laws of Hawaii 1955, Relating to the Date for Filing of Inventory.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 36-3, Revised Laws of Hawaii 1955, is hereby amended by substituting a semicolon in place of the period at the end of said section and adding a proviso thereto reading as follows: "provided that where the fiscal year of any county (including the city and county of Honolulu) is other than the calendar year, such return or inventory shall be filed within forty-five days following the close of the county's fiscal year."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **S.B. 720.**

ACT 21

An Act to Amend Chapter 14A of the Revised Laws of Hawaii 1955, as Amended, Relating to Executive and Administrative Departments.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 14A-14 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding after the fourth paragraph thereof a new paragraph to read as follows:

"Notwithstanding any provision to the contrary, the employment, appointment, promotion, transfer, demotion, discharge and job descriptions of all officers and employees under the administrative control of this department shall be determined by the treasurer subject only to applicable personnel laws."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **S.B. 69.**

ACT 22

An Act Relating to the Destruction of Vouchers, Documents and Other Records of Counties and Amending Section 138-8 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 138-8 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Section 138-8. Destruction of vouchers, documents, etc. Any proper county department, board or commission head or officer (including the auditor of each county), with the approval of the board of supervisors (or in the case of the city and county of Honolulu the city council), the auditor (or in the case of the city and county of Honolulu the director of finance), and the county attorney (or in the case of the city and county of Honolulu the corporation counsel) of the county, may

destroy all vouchers, documents and other records or papers, exclusive of permanent records, in his department, board or commission which have been on file or have been kept for a period of more than ten years."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **S.B. 574.**

ACT 23

An Act to Amend Section 160-12, Revised Laws of Hawaii 1955, Relating to Certificate of Registration Issued on Nonresident Owner of a Motor Vehicle.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The last paragraph of section 160-12, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Every certificate of registration issued pursuant to this section shall be valid for the remaining period of the year in which such certificate is issued."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **S.B. 719.**

ACT 24

An Act Relating to Cost of Copies of Tax Returns.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 115 of the Revised Laws of Hawaii 1955 as amended, is hereby further amended by the addition of a new section to read as follows:

"**Section 115-21.5. Copies of returns.** Except as otherwise provided by law, copies of any tax return filed with the department of taxation shall be furnished to the taxpayer filing the return or to his representative who has written authorization to be provided such copies upon the payment of 50 cents per page and 50 cents for any certification thereof by the department."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **S.B. 804.**

ACT 25

An Act Relating to Statistical Boundaries for Cities, Towns or Villages in the State.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to establish recognized statistical boundaries for cities and towns in Hawaii. They are to be

used for the purpose of reporting census statistics to the United States Bureau of the Census, and for use by agencies of the State of Hawaii.

SECTION 2. Section 14A-24, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding thereto a new paragraph to read as follows:

"The department of economic development shall be empowered to establish, modify, or abolish statistical boundaries for cities, towns or villages in the State. The department of economic development shall publish annually an up-to-date list of cities, towns, and villages for which statistical boundaries have been set."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **S.B. 1122.**

ACT 26

A Bill for an Act Relating to Income Taxation, Amending the Provision for Dividends Received Deduction Under Chapter 121 for Certain Corporate Taxpayers.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subparagraph (c) (1) of section 121-5 of the Revised Laws of Hawaii 1955 as amended, is hereby amended to read as follows:

"(1) upon the shares of stock of another corporation, if at the date of payment of such dividend at least ninety-five per cent of such other corporation's capital stock is owned by one or more corporations doing business in this State and if such other corporation is subjected to an income tax in another jurisdiction (but subsection to federal tax does not constitute subsection to income tax in another jurisdiction);"

SECTION 2. This Act shall take effect and apply to all taxable years beginning on or after January 1, 1964.

(Approved May 7, 1963.) **H.B. 54.**

ACT 27

A Bill for an Act Relating to the Department of Labor and Industrial Relations and Amending Section 14A-26, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 14A-26, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new sentence to the second paragraph thereof, to read as follows:

"The department shall also have the function of developing, preparing and disseminating information on employment, unemployment, and general labor market conditions."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **H.B. 195.**

ACT 28

A Bill for an Act Relating to Public Lands of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 14 as listed under section 2 of Act 32, Session Laws of Hawaii 1962, is amended by changing the second sentence to read:

"All such auctions shall be held at the door of the office of the land agent or at such other place as is convenient in the district in which the land is located, and shall be conducted by the director or the land agent or by any other authorized employee of the department under the direction of the board, all of whom shall perform this service without extra compensation."

SECTION 2. Section 16 as listed under section 2 of Act 32, Session Laws of Hawaii 1962, is amended by deleting the second paragraph of subsection (a).

SECTION 3. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **H.B. 435.**

ACT 29

A Bill for an Act Relating to Public Lands of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subsection (f) of section 19 as listed under section 2 of Act 32, Session Laws of Hawaii 1962 is amended to read as follows:

"(f) For the payment of publication notices as required under this Act, provided that all or a portion of such expenditures may be charged to the purchaser or lessee of public lands or any interest therein under rules and regulations adopted by the board."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **H.B. 436.**

ACT 30

A Bill for an Act Relating to the Designation by the Lieutenant Governor of a Person to Perform Certain Duties and Functions During the Temporary Absence or Illness of the Lieutenant Governor and Amending Section 14A-8, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 14A-8, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding the following paragraphs at the end thereof to read as follows:

"The lieutenant governor, with the approval of the governor, may designate some other officer of the government of the State to authenticate documents on behalf of the lieutenant governor during his temporary absence without the state or during his illness whenever such documents require the signature of the lieutenant governor. Such

person shall affix his own signature to the document with the words, "for the lieutenant governor" following and such signature shall be deemed to satisfy the requirement of the lieutenant governor's signature on such document. Such designation and approval shall be in writing and shall be filed in the office of the governor and a copy thereof, certified by the governor, shall be filed with the public archives. The person so designated shall serve without additional compensation and the lieutenant governor shall be responsible and liable on his official bond for all acts done by the person so designated in the performance of such duties on behalf of the lieutenant governor.

"Nothing in this section shall be construed to authorize such person to exercise and discharge the powers and duties of the office of the governor as provided by the first paragraph of article IV, section 4 of the Constitution of the State of Hawaii. Such person shall not be authorized to exercise any powers whenever a successor to the lieutenant governor assumes the duties of the lieutenant governor pursuant to article IV, section 4 of the Constitution of Hawaii."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 7, 1963.) **H.B. 34.**

ACT 31

A Bill for an Act Amending Section 5A-13, Revised Laws of Hawaii 1955, as Amended, Relating to Health Benefit Plans Available to Dependents Under the Hawaii Public Employees Health Fund.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The second paragraph of section 5A-13 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"The board may contract for the following health benefit plans; provided that benefits under any respective plan shall be equally available to all employee-beneficiaries and dependant-beneficiaries selecting such plan, regardless of age:".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 8, 1963.) **H.B. 420.**

ACT 32

An Act Relating to the Real Property Tax Exemption for Schools; Amending Section 128-18(b)(1) of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 128-18(b)(1) of the Revised Laws of Hawaii 1955 as amended, is hereby further amended to read as follows:

"**Sec. 128-18(b)(1).** Property used for school purposes including:

(i) kindergartens, grade schools, junior high schools and high schools, which carry on a program of instruction meeting the requirements of

the compulsory school attendance law, section 40-9, or which are for preschool children who have attained or will attain the age of five years on or before December 31 of the school year, provided that any claim for exemption based on any of the foregoing uses shall be accompanied by a certificate issued by or under the authority of the department of education stating that the foregoing requirements are met;

(ii) junior colleges or colleges carrying on a general program of instruction of college level. The property exempt from taxation under this paragraph is limited to buildings for educational purposes (including dormitories), housing on the campus grounds for personnel employed at the school or college, campus and athletic grounds, and realty used for vocational purposes incident to the school or college."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 13, 1963.) **S.B. 58.**

ACT 33

An Act Relating to Transfer of Children in the Training Schools to the State Hospital.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to establish the transfer of children in the training schools requiring psychiatric care to the state hospital.

SECTION 2. Chapter 80, Revised Laws of Hawaii 1955, is hereby amended by adding a new section numbered 80-34 to read as follows:

"Upon receipt of a written recommendation by a psychiatrist employed by the department of health and by the director of health, the director of social services may, with the approval of the circuit court judge who committed said child to the training school, or his successor, or any circuit judge designated to act in his place, transfer any child in a training school to the state hospital for psychiatric treatment or observation. The director of social services may direct any official having immediate custody of the child to transfer him to the state hospital for such treatment or observation. The child may not be kept at the state hospital after his sanity has been restored or the purposes of the observation or treatment have been completed, as determined by the medical director of the state hospital. In no event may he be detained at the state hospital beyond the period of his guardianship or custody under the department of social services. Should the child, during the period in which he is kept at the state hospital, require medical treatment or emergency surgical operations, he shall be given such treatment or operation upon the written recommendation of the medical director of the state hospital. In the event a surgical operation is so recommended and such operation is not of an urgent or emergency nature, the operation must first be approved by the circuit court judge who committed said child to the training school, or his successor, or any circuit judge designated to act in his place."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 13, 1963.) **S.B. 91.**

ACT 34

An Act Relating to Changes in the Title of Warden and in the Name of Oahu Prison.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The word "warden," referring to warden of Oahu Prison, wherever used in the Revised Laws of Hawaii 1955 and any acts amendatory thereof, is hereby replaced by the word "superintendent."

SECTION 2. The words "Oahu Prison," referring to the prison managed and controlled by the department of social services, wherever used in the Revised Laws of Hawaii 1955 and any acts amendatory thereof, are hereby replaced by the words "Hawaii State Prison."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 13, 1963.) **S.B. 461.**

ACT 35

An Act Relating to the Destruction of Warrants, Bonds, Etc., and Amending Section 138-9 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 138-9 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Section 138-9. Destruction of warrants, bonds, etc. The treasurer of each county (or in the case of the city and county of Honolulu the director of finance), with the approval of the board of supervisors (or in the case of the city and county of Honolulu the city council) and the county attorney (or in the case of the city and county of Honolulu the corporation counsel) of the county, may authorize the burning and destruction of (1) all warrants of his county which have been paid and which bear any date ten years prior to the date of burning and destruction and (2) all county bonds and interest coupons of his county which have been paid and which bear any date two years prior to the date of burning and destruction. The treasurer of each county (or in the case of the city and county of Honolulu the director of finance) shall submit reports as required by the board of supervisors (or in the case of the city and county of Honolulu the city council)."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 13, 1963.) **S.B. 575.**

ACT 36

An Act Amending Section 51-15 of the Revised Laws of Hawaii 1955, as Amended, Relating to Misbranding of Drugs.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 51-15(k) of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“(k) If it is a drug sold at retail, and contains any quantity of aminopyrine, barbituric acid, cinchophen, dinitrophenol, or sulfanilamide, or their derivatives, or any other drug which has been found by the department of health to be dangerous to health when used in the dosage, or with the frequency or duration prescribed, recommended or suggested in the labelling thereof, and so designated by the department of health in a regulation adopted; unless (1) it is sold on a written prescription signed by a member of the medical, osteopathic, dental or veterinary profession who is licensed by law to administer such drug, or on an oral prescription of such member of the medical, osteopathic, dental or veterinary profession, provided, the seller promptly records in his books the oral prescription in full, the kind, quantity of the drug and directions for use, the date the oral prescription is received, the name of the seller, the name and code designation of the prescriber, and the name and address of the person for whom such drug is prescribed or of the name of the owner of the animal for which the drug is prescribed, the department of health assigning such code designation to such prescriber, and such books being subject at all times to the inspection of the department of health or its agents, and (2) its label bears the name and place of business of the seller, the serial number and date of such prescription, and the name of such member of the medical, osteopathic, dental or veterinary profession;”.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 13, 1963.) **S.B. 859.**

ACT 37

An Act Relating to Veterans' Cemeteries, and Amending Chapter 348, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 348, Revised Laws of Hawaii, as amended, is hereby further amended by adding thereto a new section as follows:

“**Section 348**-. Any law to the contrary notwithstanding the remains of nonresident servicemen or nonresident honorably discharged veterans of the armed forces of the United States, and the remains of the widows, widowers or minor children of such deceased servicemen or veterans, or the remains of the wives, husbands or minor children who predecease such servicemen or veterans, may, at the discretion of the legislative bodies of the respective counties, be interred in the cemetery or cemeteries as established herein.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 13, 1963.) **S.B. 942.**

ACT 38

An Act Relating to Dispensing Opticians.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subsection (b) of section 69-13 of the Revised Laws of Hawaii 1955, is amended as follows:

"(b) To advertise either directly or indirectly any definite or indefinite price or credit terms on prescriptive or corrective lenses, frames, complete prescriptive or corrective glasses or any optical dispensing service, or to advertise in any manner that would tend to mislead or deceive the public;"

SECTION 2. This Act shall take effect upon its approval.

(Approved May 13, 1963.) **S.B. 1080.**

ACT 39

A Bill for an Act Relating to Artesian Wells Generally and Amending Chapter 101 of the Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 101 of the Revised Laws of Hawaii 1955 is hereby amended as follows:

"CHAPTER 101 ARTESIAN WELLS, GENERALLY

Section 101-1. Defined. An artesian well, for the purposes of this chapter, is defined to be an artificial well or shaft which is sunk or driven to an artesian stratum or basin, and through which water is raised or carried to or above the surface of the ground by natural pressure or gravity or through which water is or may be raised or carried to or above the surface of the ground by artificial means.

Section 101-2. Uncapped and flowing a common nuisance; persons responsible therefor. An artesian well which is not capped, cased, equipped or furnished with such mechanical appliance as will readily and effectively arrest and prevent the flow of any water from such well is declared to be a common nuisance. The owner, tenant or occupant of the land upon which such a well is situated, or any person in charge of such a well, who causes, suffers or permits such common nuisance, or suffers or permits it to remain or continue, is guilty of a misdemeanor; and any person owning, possessing or occupying any land upon which is situated an artesian well, or any person in charge of such a well, who causes, suffers or permits the water to unnecessarily flow from such well, or to go to waste, is guilty of a misdemeanor.

Section 101-3. Waste from, defined. For the purposes of this chapter, waste is defined to be causing, suffering or permitting the water in any artesian well to reach any porous substratum before coming to the surface of the ground, or to flow from such well upon any land, or directly into any stream, or other natural water course or channel, or into the sea, or any bay, lake or pond; or into any street, road or highway, unless to be used for beneficial purposes; provided, that this section shall not be so construed as to prevent the beneficial use of water by direct flow, or from storage reservoirs served by wells, for irrigation, domestic and other useful purposes, except for driving machinery; provided, that water may be used for driving machinery, in case it is utilized afterwards for irrigation or other useful purposes. Except as otherwise provided the extent to which water of any artesian well may

be devoted to useful or beneficial purposes shall be subject to regulation by the board of land and natural resources, to such quantities as may be necessary for the purposes for which the well is used.

Section 101-4. Inspection of. Every artesian well shall be maintained by the owner, tenant or occupant of the land upon which the well is situated or the person in charge of the well so as to provide access at all times for purposes of inspection unless the well has been sealed just above the water bearing stratum in a manner approved by the board of land and natural resources, except as otherwise provided.

Section 101-5. Drilling, notice of. Except as otherwise provided, no well shall be drilled without first notifying, in writing, the board of land and natural resources which notice shall state the exact location of the proposed well, the owner's name, the well driller's name and the proposed use of the water.

Section 101-6. Boring of, record to be kept and filed. Any person boring, or causing to be bored, a well shall keep a complete and accurate record of the depth and thickness of the different strata penetrated and within ninety days after the last days of boring, shall file the record in the office of the board of land and natural resources, except as otherwise provided.

Section 101-7. Violations; penalties. Any person violating any of the provisions of this chapter shall be fined not more than \$50; and where continuance of waste, as defined in this chapter, is under immediate control, each day's continuance of the same, after written notice shall constitute a separate offense; provided, that when the continuance of the waste is not under immediate control, as where recasing or sealing is necessary, each day's continuance of the same shall constitute a separate offense after sixty days have elapsed from the time of receiving written notice to prevent waste.

Section 101-8. Person may relieve himself of liability. Any person owning an artesian well may relieve himself of further responsibility therefor by transferring it to the county in which it is situated and the exclusive right to develop artesian water on or under any property owned by him in the district in which such well is situated and the right to enter the property for the purpose of capping or plugging such well. The county shall accept such well and such right and shall cap or properly plug such well. The county shall have the right to use the well and to lay and maintain pipes to draw water therefrom; provided that such use and the laying and maintenance of such pipes be made in such manner as to cause minimum inconvenience to the person owning the well before its transfer as provided herein. This section shall be inapplicable within the district of Honolulu.

Section 101-9. Inspection by board. For the more effectual carrying out of the provisions of this chapter, the board of land and natural resources or its designated agent may at all times enter without warrant the premises where an artesian well is situated or wherein artesian water is used in order to procure such information or for such other purpose as may be necessary.

Section 101-10. Appeals from decisions of the board. Except as otherwise provided in chapter 152, any person, firm, copartnership or corporation adversely affected thereby may appeal to the circuit court from

any ruling of the board of land and natural resources regulating the flow, manner of sealing or manner of repairing of any artesian well by filing, in writing, a notice of appeal within ten days after the date of the ruling with the clerk of the court and serving a copy thereof upon the board, stating the grounds therefor. The court shall have power to review and to affirm, modify or reverse any decision or order of the board so appealed from, in any matter of law or fact."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 17, 1963.) **H.B. 81.**

ACT 40

A Bill for an Act Relating to Public Lands of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 90(a) as listed under section 2 of Act 32, Session Laws of Hawaii 1962 is hereby amended to read as follows:

"(a) Sell public lands at such price and such other terms and conditions as the board may deem proper to governments, including the United States, city and county, counties and other governmental agencies authorized to hold lands in fee simple;"

SECTION 2. Section 90(c) as listed under section 2 of Act 32, Session Laws of Hawaii 1962 is hereby amended to read as follows:

"(c) Grant licenses and easements to such governments and agencies on such terms and conditions as the board may determine for road, pipeline, utility, communication cable and other rights of way;"

SECTION 3. Section 90 as listed under section 2 of Act 32, Session Laws of Hawaii 1962 is hereby amended by adding the following new subsection to said section 90:

"(f) The board may waive or modify building and other requirements and conditions contained in deeds, patents, sales agreements or leases held by governments or its agencies whenever such waiver or modification is beneficial to the State."

SECTION 4. This Act shall take effect upon its approval.

(Approved May 17, 1963.) **H.B. 86.**

ACT 41

A Bill for an Act Relating to Redesignation of Training Schools Under the Jurisdiction of the Department of Social Services.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The designation, "Hawaii youth correctional facility," is hereby substituted for the words "training school" or "training schools," referring to the youth facility managed and controlled by the department of social services, wherever used in the Revised Laws of Hawaii 1955, and any amendatory acts.

SECTION 2. Without limitation of the generality of section 1 hereof, the words "Hawaii youth correctional facility" are hereby substituted

for the words "training school" or "training schools" in chapter 80 and section 333-6 of the Revised Laws of Hawaii 1955, as amended.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 17, 1963.) **H.B. 88.**

ACT 42

A Bill for an Act Amending Section 83-17, Revised Laws of Hawaii 1955, Relating to Prisons and Prisoners.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to streamline and bring up to date the provisions covering the transfer of adult prisoners in the Hawaii state prison to adult honor camps and the administration thereof.

SECTION 2. Section 83-17 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"§ 83-17. **State adult honor campus; transfer thereto and imprisonment therein.** Any person convicted of a felony and sentenced to imprisonment may, upon order of the director, and as in this section further provided, be transferred between the Hawaii state prison and any of the honor camps as determined by the rules of the director of social services. The director, with the prior approval of the governor, may, from time to time, establish temporary honor camps, if required in conjunction with construction projects or specialized service authorized by law. Such temporary camps shall be discontinued upon termination of such work. Nothing in this section shall be construed to prohibit the transfer of prisoners from the Hawaii state prison or any honor camp to the Hawaii state hospital or other state institutions as provided by law."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 17, 1963.) **H.B. 92.**

ACT 43

A Bill for an Act to Amend Section 135-8 of the Revised Laws of Hawaii 1955, Relating to Examination Fees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subsection (b) of section 135-8 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the period at the end thereof and adding thereafter the following:

"; plus \$50 for each branch of such building and loan associations and fiduciary companies incorporated in the State; provided that fees for examination of foreign corporations licensed to do building and loan and/or fiduciary business in the State shall be based on the total assets of such foreign corporations within the State and in accordance with the schedule herein, plus the actual per diem cost and other expenses necessary to carry out the out-of-state examinations."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 17, 1963.) **H.B. 99.**

ACT 44

An Act Relating to the Rate of Wages of Employees on Public Works and Amending Chapter 9A, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Amend section 9A-1, Revised Laws of Hawaii 1955, as amended, as follows:

1. Amend subsection (e) to read:

“(e) ‘basic hourly rate’ means the hourly wage paid to a laborer or mechanic for work performed during nonovertime hours, but shall not include the cost to an employer of furnishing fringe benefits whether paid directly or indirectly to the laborer or mechanic as provided in subsection (f).”

2. After subsection (e) add a new subsection to read:

“(f) ‘Wages’, ‘rate of wages’, ‘wage rates’, ‘minimum wages’ and ‘prevailing wages’ mean the basic hourly rate and the cost to an employer of furnishing a laborer or mechanic with fringe benefits, including but not limited to health and welfare benefits, vacation benefits and pension benefits, whether paid directly or indirectly to the laborer or mechanic.”

SECTION 2. This Act shall take effect upon its approval, but the inclusion in wages of the cost to an employer of furnishing a laborer or mechanic with fringe benefits under section 9A-1(f) shall become effective only in those cases determined by the director, acting as rapidly as practicable.

(Approved May 18, 1963.) **S.B. 786.**

ACT 45

A Bill for an Act Relating to Taxation, Amending Chapters 115, 117, 118, 119, 121, 122, 123, 124, 125, 126 and 127 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 115 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended:

(a) By amending section 115-26 to read as follows:

“**Sec. 115-26. Changes, etc., in assessment lists.** Except as specifically provided in chapter 115 and chapter 128, no changes in, additions to or deductions from, the real property tax assessments on the assessment lists prepared as provided in section 128-28 shall be made except to add thereto property or assessments which may have been omitted therefrom, or to deduct therefrom adjustments on account of duplicate assessments and clerical errors, such as transposition in figures, typographical errors and errors in calculation.”

(b) By repealing section 115-27.

(c) By amending section 115-28 to read as follows:

"Sec. 115-28. Adjustments and refunds.

(a) The provisions of this subsection shall apply to taxes assessed and collected under chapter 128.

(1) In the event of adjustments on account of duplicate assessments and clerical errors, such as transposition in figures, typographical errors and errors in calculations, the adjustments may be entered upon the records although the full amount appearing on the records prior to such adjustment has been paid.

(2) There may be refunded in the manner provided in subsection (c) of this section any amount collected in excess of the amount appearing on the records as adjusted, or any amount constituting a duplication of payment in whole or in part.

(3) No such adjustment shall be entered on the records nor refund made except within two years after the end of the calendar year in which the amount to be refunded was due and payable, unless a written application for such adjustment or refund has been filed within such period.

(b) The provisions of this subsection shall apply to all taxes except those collected under chapter 128 and those collected under a chapter containing a provision for credit and refund of the amount of tax paid in excess of the tax imposed by such chapter. As to all tax payments for which a refund or credit is not authorized by this subsection (including without prejudice to the generality of the cases of unconstitutionality hereinafter mentioned in (1)(iii)) the remedies provided by appeal or under section 34-24 are exclusive.

(1) If the amount already paid exceeds that which should have been paid under the provisions of the chapter imposing a particular tax, or if the amount already paid results in duplication of payment in whole or in part, the excess so paid shall be refunded in the manner provided in subsection (c) of this section, subject however to the following limitations:

(i) No refund shall be made unless an application for such refund shall have been made within five years after the amount to be refunded was paid;

(ii) No recourse may be had except under section 34-24 or by appeal for refunds of taxes paid pursuant to an assessment by the director, provided, that if the assessment by the director shall contain clerical errors, transposition of figures, typographical errors and errors in calculation or if there shall be an illegal or erroneous assessment, the usual refund procedures shall apply.

(iii) No refund or overpayment credit shall be made unless the original payment of the tax was due to the law having been interpreted or applied in respect of the taxpayer concerned differently than in respect of taxpayers generally.

(2) In any case where a taxpayer is entitled to a refund, he may, at his election, apply the amount of such refund as an overpayment credit to taxes subsequently accruing under the same chapter as that under which the refundable amount was collected.

(c) The provisions of this subsection shall apply to all taxes.

(1) All refunds shall be paid only upon a form to be known as a 'refund voucher' prepared by the collector. Such refund vouchers shall

set forth all the details of each transaction, shall be approved by the director and shall be forwarded to the comptroller from time to time. The comptroller shall issue his warrant, in the form prescribed by section 34-48, for the payment of any such refund out of the tax reserve fund hereinafter created; provided, that if the person entitled to the refund is delinquent in the payment of any tax, the comptroller, upon demand of the collector and after notice to such delinquent taxpayer, shall withhold the amount of such delinquent taxes, together with penalties and interest thereon, from the amount of such refund and pay the same to the collector.

(2) There is hereby appropriated, from the general revenues of the State not otherwise appropriated, the sum of \$25,000 which shall be set aside as a special fund to be known as the tax reserve fund. All refunds of taxes collected under chapters 117, 118, 119, 121, 122, 123, 124, 125, 126, 127, and 128, Revised Laws of Hawaii 1955, as amended, heretofore made out of the reserve funds in chapters 117, 121 and 122 or from the general fund shall be made out of the tax reserve fund. The director of taxation may, from time to time, deposit taxes collected by him under the provisions of the chapters enumerated in the immediately preceding sentence in the state treasury to the credit of the tax reserve fund so that there may be maintained at all times a fund not exceeding \$25,000. Such amounts deposited shall be made from the taxes with respect to which a particular refund is made, but in the case of a real property tax refund, from the next collection of real property taxes of the taxation division in which the property which was the subject of the refund is situated.

(3) The tax reserve funds in sections 117-32, 121-44 and 122-33 are hereby abolished. All unexpended balances remaining in the said funds shall be deposited into the general fund of the State."

SECTION 2. Chapter 117 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending section 117-32 to read as follows:

"Sec. 117-32. Refunds and credits. If the amount already paid exceeds that which should have been paid on the basis of the tax recomputed as provided in the preceding section, the excess so paid shall be immediately refunded to the taxpayer in the manner provided in section 115-28(c). The taxpayer may, at his election, apply an overpayment credit to taxes subsequently accruing hereunder. All refunds and the details thereof, including the names of the persons receiving the refund and the amount refunded shall be accessible for the inspection of the public in the office of the assessor of the taxation division in which the person receiving the refund made his returns.

No recourse may be had except under section 34-24 or by appeal for refunds of taxes paid pursuant to an assessment by the director, provided, that if the assessment by the director shall contain clerical errors, transposition of figures, typographical errors and errors in calculation or if there shall be an illegal or erroneous assessment, the usual refunds procedures shall apply. No refund or overpayment credit may be had under this section in any event unless the original payment of the tax was due to the law having been interpreted or applied in respect of the taxpayer concerned differently than in respect of taxpayers generally.

As to all tax payment for which a refund or credit is not authorized by this section (including without prejudice to the generality of the foregoing cases of unconstitutionality) the remedies provided by appeal or under section 34-24 are exclusive."

SECTION 3. Chapter 118 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending section 118-2(a) to read as follows:

"(a) If the purchaser is licensed under chapter 117 and is (1) a wholesaler or jobber purchasing for purposes of resale, or (2) a manufacturer purchasing material or commodities which are to be incorporated by such manufacturer into a finished or saleable product (including the container or package in which the product is contained) wherein it will remain in such form as to be perceptible to the senses, and which finished or saleable product is to be sold in such manner as to result in a further tax on the activity of the manufacturer as such manufacturer and not as a retailer, there shall be no tax, provided, that if such wholesaler, jobber, or manufacturer is also engaged in business as a retailer (so classed under chapter 117), paragraph (b) shall apply to him, but the director shall refund to him in the manner provided in section 115-28(c), such amount of tax as he shall, to the satisfaction of the director, establish to have been paid by him to the director or to a person required or authorized to collect such tax, with respect to property which has been used by him for the purposes stated in this paragraph."

SECTION 4. Chapter 121 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended:

(a) By adding to section 121-36(a) the following sentence:

"All books of account required to be kept by this chapter shall be preserved for a period of five years, except that the director may, in writing, consent to their destruction within such period or may require that they be kept longer."

(b) By amending the second sentence of section 121-44(a) to read in full as follows:

"If the amount already paid, whether or not on the basis of installments, exceeds the amount determined to be the correct amount of the tax, the amount of the credit shall be refunded in the manner provided in section 115-28(c)."

(c) By amending section 121-44(c) to read as follows:

"(c) Any refund earned under this section shall be made in the manner provided in section 115-28(c)."

(d) By repealing section 121-44(d).

SECTION 5. Chapter 122 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending section 122-33 to read in full as follows:

"Sec. 122-33. Refunds. There shall be refunded, without interest, in the manner provided in section 115-28(c) and subject to the time limitation hereinafter provided, any amount of tax paid to the director in excess of the amount due under sections 122-2 to 122-6, whether such overpayment was due to a mistake of fact or a mistake of law, or arose out of a payment or payments made to the director based upon an estimate of the amount of tax in advance of the actual calculation of the

tax. An application for such refund must be made within five years after the payment; provided that, prior to the expiration of such period, the court, upon the petition of any interested person, may extend the time allowed for such application, where, through necessary litigation or other unavoidable cause of delay, the tax has not been finally determined. Unless the application is supported by the determination by the circuit judge of the amount of the tax, which determination has become final, no such refund shall be made unless the application is approved by the director."

SECTION 6. Chapter 123 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by substituting for the words "three years" whenever they appear in the first paragraph of section 123-6 the words "five years".

SECTION 7. Chapter 124 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended:

(a) By substituting for the words "three years" whenever they appear in sections 124-8(b), 124-8(c) and 124-9(a) the words "five years".

(b) By substituting for the words "out of any moneys in the general fund not otherwise appropriated" in section 124-8(c) the words "in the manner provided in section 115-28(c)".

SECTION 8. Chapter 125 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended:

(a) By substituting for the words "three years" whenever they appear in sections 125-7(b), 125-7(c) and 125-8(a) the words "five years".

(b) By substituting for the words "out of any moneys in the general fund not otherwise appropriated" in section 125-7(c) the words "in the manner provided in section 115-28(c)".

SECTION 9. Chapter 127 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the last sentence of section 127-6 to read as follows:

"Any tax refund payable under section 121-44, hereby made applicable to the taxes imposed by this chapter, shall be made in the manner provided in section 115-28(c)."

SECTION 10. This Act shall take effect on January 1, 1964.

(Approved May 18, 1963.) **H.B. 51.**

ACT 46

A Bill for an Act Relating to the Reciprocal Enforcement of Taxes Imposed by Chapter 122, Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 122 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by the addition of a new section to read as follows:

"Section 122-11.5. **Reciprocal enforcement.** Within eighteen months after the qualification in any circuit court in this State of any executor of the will of, or administrator of the estate of, a nonresident decedent

such executor or administrator shall file with such court proof that all death taxes, together with interest or penalties thereon, any or all of which taxes are due to the state of domicile of such decedent, or to any political subdivision thereof, have been paid or secured, or that no such taxes, interest or penalties are due, as the case may be unless it appears that letters have been issued in the state of domicile. Such proof may be in the form of a certificate issued by the official or body charged with the administration of the death tax laws of the domiciliary state.

"If such proof be not filed within the time required by this section, the clerk of such circuit court shall forthwith notify by mail the official or body of the domiciliary state charged with the administration of the death tax laws thereof with respect to such estate, and shall state in such notice (a) the name, date of death and last domicile of such decedent, (b) the name and address of each executor or administrator, (c) a summary of the values of the real estate, tangible personalty, and intangible personalty, wherever situated, belonging to such decedent at the time of his death, if known to such clerk, (d) the fact that such executor or administrator has not filed theretofore the proof required by this section. Such clerk shall attach to such notice a copy of the will and codicils, if any, of such decedent, if he died testate, or if he died intestate, a list of his heirs and next-of-kin, so far as is known to such clerk. Within sixty days after the mailing of such notice, the official or body charged with the administration of the death tax laws of the domiciliary state may file with such circuit court in this State a petition for an accounting in such estate. Such official or body of the domiciliary state shall, for the purposes of this section, be a party interested for the purpose of petitioning such circuit court for such accounting; and if such petition be filed within said period of sixty days, the court shall decree such accounting, and upon such accounting being filed and approved shall decree the remission to the fiduciary appointed by the domiciliary probate court of so much of the intangible personalty after the payment of creditors in this State and expenses of administration in this State as may be sufficient to satisfy the claims of the state of domicile for death taxes, interest and penalties.

"Unless the provisions of this section have been complied with, no such executor or administrator shall be entitled to a final accounting or discharge in the circuit court of this State.

"The provisions of this section shall apply to the estate of any non-resident decedent only (1) if the laws of the state of his domicile contain a provision, of any nature or however expressed, whereby this State is given reasonable assurance of the collection of its death taxes, interest and penalties, from the estates of decedents dying domiciled in this State in cases where the estate of such decedents are being administered by the probate court of such other state, or (2) if the state of domicile does not grant letters in nonresident estates until after letters have been issued by the state of domicile. The provisions of this section shall be liberally construed in order to insure that the state of domicile of any decedent shall receive any death taxes together with interest and penalties thereon, due to it.

"For the purposes of this section, the word 'state' shall be construed

to include any territory of the United States, the District of Columbia, and any foreign country."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1963.) **H.B. 52.**

ACT 47

A Bill for an Act Relating to the Taxation of Interest Income Derived From Obligations of Sister States and Political Subdivisions Thereof.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 121-5(b) of the Revised Laws of Hawaii 1955 as amended, is hereby amended to read as follows:

"(b) There shall be included in gross income, adjusted gross income and taxable income: (1) unless excluded by the provisions of this chapter relating to the uniformed services of the United States, cost-of-living allowances and other payments exempted by section 912 of the Internal Revenue Code, but section 119 of the Internal Revenue Code nevertheless shall apply; (2) unless expressly exempted or excluded as provided by subsection (a)(7) of this section, interest on the obligations of a state or a political subdivision thereof."

SECTION 2. This Act shall apply to taxable years beginning on or after January 1, 1964.

(Approved May 18, 1963.) **H.B. 53.**

ACT 48

A Bill for an Act Relating to Taxation: Providing for Taxation of Users or Occupants of Exempt Real Property.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 128-22 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the words: "provided, that real property belonging to the United States shall be taxed if and when the Congress of the United States so permits," which begin in the second and end with the fifth line of subsection (a), and inserting in lieu thereof the following:

"provided, that real property belonging to the United States shall be taxed upon the use or occupancy thereof as provided in section 128-22.1, and there shall be a tax upon the property itself if and when the Congress of the United States so permits,"

SECTION 2. Chapter 128 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto a new section to be numbered section 128-22.1 and to read as follows:

"Sec. 128-22.1. Lessees of exempt real property.

(a) When any real property which for any reason is exempt from taxation is leased to and used or occupied by a private person in connection with any business conducted for profit, such use or occupancy

shall be assessed and taxed in the same amount and to the same extent as though the lessee were the owner of such property and as provided in subsection (b), provided, that:

(1) The foregoing shall not apply to the following:

(A) Federal property for which payments are made in lieu of taxes in amounts equivalent to taxes which might otherwise be lawfully assessed;

(B) Any property or portion thereof taxed under any other provision of chapter 128 to the extent and for the period so taxed.

(2) The term 'lease' shall mean any lease for a term of one year or more, or which is renewable for such period as to constitute a total term of one year or more. A lease having a stated term shall, if it otherwise comes within the meaning of the term 'lease', be deemed a lease notwithstanding any right of revocation, cancellation or termination reserved therein or provided for thereby. In any case of occupancy of a building or structure by two or more tenants, or by the government and a tenant, the tenancy shall not be deemed a lease, irrespective of the term thereof.

(3) The assessment of the use or occupancy shall be made in accordance with the highest and best use permitted under the terms and conditions of the lease.

(b) The tax shall be assessed to and collected from such lessee as nearly as possible in the same manner and time as the tax assessed to owners of real property, except that such tax shall not become a lien against the property. In case the use or occupancy is in effect on January 1 of any tax year, the lessee shall be assessed for the entire year but adjustments of the tax so assessed shall be made in the event of the termination of the use or occupancy during the year so that the lessee is required to pay only so much of the tax as is proportionate to the portion of the tax year during which the use or occupancy is in effect, and the tax assessor and tax collector of the division in which the property is situated are hereby authorized to remit the tax due for the balance of the tax year. In case the use or occupancy commences after January 1 of any tax year, the lessee shall be assessed for only so much of the tax as is proportionate to the period that the use or occupancy bears to the tax year.

The assessment of the use or occupancy of real property made under this section shall not be included in the aggregate value of taxable realty for the purposes of section 129-2 but each board of supervisors, at the time that it is furnished with information as to the value of taxable real property, shall also be furnished with information as to the assessments made under this section, similarly determined but separately stated.

If a use or occupancy is in effect on January 1 of any tax year, the assessment shall be made and listed for that year and the notice of assessment shall be given to the taxpayer in the manner and at the time prescribed in section 128-27, and when so given, the taxpayer, if he deems himself aggrieved, may appeal as provided in section 128-30; if a use or occupancy commences after January 1 of any tax year or if for any reason an assessment is omitted for any tax year, the assessment shall be made and listed and notice thereof shall be given in the

manner and at the time prescribed in section 128-27, and an appeal from an assessment so made may be taken as provided in section 128-34."

SECTION 3. This Act shall take effect January 1, 1964.

(Approved May 18, 1963.) **H.B. 59.**

ACT 49

A Bill for an Act Amending Chapter 94, Revised Laws of Hawaii 1955, as Amended Relating to Wages and Hours.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The third paragraph entitled, "Collection suits; attorney's fee; assignments; relief from costs," of section 94-13, Revised Laws of Hawaii, is hereby amended by adding thereto at the end the following:

"The right provided by this paragraph to bring an action by or on behalf of any employee, and the right of any employee to become a party plaintiff to any such action, shall terminate upon the filing of a complaint by the director in an action in which restraint is sought of any further delay in the payment of unpaid minimum wages, or the amount of unpaid overtime compensation, as the case may be, owing to such employee under sections 94-3 or 94-4 by an employer liable therefor under the provisions of this section."

SECTION 2. The fourth paragraph entitled, "Injunctions," of section 94-13, Revised Laws of Hawaii 1955, is hereby amended to read:

"Injunctions: (a) Whenever it appears to the director that any employer is engaged in any act or practice which constitutes or will constitute a violation of any provision of this chapter, or of any provision of any regulation, he may in his discretion bring an action in the circuit court of the circuit in which it is charged the act or practice complained of occurred to enjoin such act or practice and to enforce compliance with this chapter or with such regulation, and upon a proper showing, a permanent or temporary injunction or decree or restraining order shall be granted without bond.

"(b) The circuit courts shall have jurisdiction, for cause shown, to restrain any withholding of payment of minimum wages or overtime compensation found by the court to be due to employees under section 94-3 or 94-4."

SECTION 3. Section 94-9, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Section 94-9. Learners; apprentices; part-time employees who are full-time students; paroled wards of Hawaii youth correctional facility; handicapped workers. The director may by rules provide for the employment: (a) of learners, of apprentices, of part-time employees who are full-time students attending public or private schools other than colleges, universities, business schools or technical schools, and of wards paroled from the Hawaii youth correctional facility, under special certificates issued by the director, at such wages lower than the applicable minimum wage and subject to such limitations as to time, number, proportion, and length of service as the director shall prescribe; and (b) of

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individuals whose earning capacity is impaired by old age or physical or mental deficiency or injury, under special certificates issued by the director, at such wages lower than the applicable minimum wage and for such period as shall be fixed in such certificates."

SECTION 4. This Act shall take effect upon its approval.

(Approved May 18, 1963.) **H.B. 77.**

ACT 50

A Bill for an Act Relating to Liquor.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 159-3, Revised Laws of Hawaii 1955, is amended by adding after the second paragraph thereof the following:

"It shall also be unlawful for any person to label, designate or sell any liquor using the word 'Hawaii', 'Hawaiian' or 'Aloha State' unless such liquor is wholly manufactured in the State of Hawaii.

"It shall also be unlawful for any person to label, designate or sell any rum as 'Hawaii Rum' or 'Hawaiian Rum' unless it shall have been aged for at least two years from the date of distillation."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 18, 1963.) **H.B. 640.**

ACT 51

An Act Relating to the Determination of Real Property Taxation Rates and Amending Section 129-2(c), Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 129-2, Revised Laws of Hawaii 1955, as amended, relating to the determination of the real property tax rate, is hereby further amended by amending subsection (c) thereof to read:

"(c) Such rate shall be expressed in terms of the tax per \$1,000 of assessed value of taxable real property in the county, provided that the applicable rate for each county shall be computed to the nearest cent."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **S.B. 6.**

ACT 52

An Act to Amend Sections 80-13, 80-14 and 80-15, Revised Laws of Hawaii 1955, as Amended, Relating to the Commitment of Juveniles.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 80-15, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 80-15. Commitments directed, how. All commitments from the juvenile courts of the State of Hawaii shall be directed to the director of social services. The committing court or judge shall designate a juvenile probation officer, police officer, or any qualified person to deliver the juvenile to the superintendent of the Hawaii youth correctional facility. The officer designated to deliver the juvenile to the youth facility shall be charged by such commitment with the execution of all orders for the custody and safekeeping of the child committed to the director until delivered to the superintendent of the Hawaii youth correctional facility or his duly authorized agent. All expenses attending the conveyance of such children to their places of destination shall be defrayed from the funds available for such purposes which are under the control of the committing judge. The director shall be charged by such commitments with the execution of all orders for the custody, placement and safekeeping of the children."

SECTION 2. Sections 80-13 and 80-14, Revised Laws of Hawaii 1955, as amended, are hereby repealed.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **S.B. 89.**

ACT 53

An Act Relating to the Hawaii Employment Relations Act.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 90-2(c) of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the word "eight" in the clause which reads, "or any individual employed by any employer employing less than eight individuals," and substituting in lieu thereof the word "two".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **S.B. 367.**

ACT 54

An Act Relating to the Department of the Attorney General.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 30-9, Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Section 30-9. Assistant attorney general; deputies. The attorney general shall appoint, and at his pleasure remove, an assistant attorney general and such deputies and law clerks as the exigencies of the public service may require, and shall be responsible for all of the acts of such assistant attorney general, deputies and law clerks. They shall act under the direction of the attorney general and shall perform such duties as the attorney general may, from time to time, require. The assistant attorney general and deputies, subject to such directions, may perform

or exercise any and all duties or powers by law required of or conferred upon the attorney general. The attorney general may appoint and at his pleasure remove such special deputies to perform such duties and exercise such powers as the attorney general may specify in their several appointments. The assistant attorney general and all of the deputies shall take the oath required of other public officers."

SECTION 2. Subsection (j) of section 3-20, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"(j) Assistant and deputy attorneys general and law clerks;"

SECTION 3. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **S.B. 388.**

ACT 55

An Act Amending Chapter 89, Revised Laws of Hawaii 1955, Relating to Apprenticeship.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 89-5, Revised Laws of Hawaii 1955, is hereby amended to read:

"**Section 89-5. Powers and duties of director.** The director of labor and industrial relations shall: (a) establish standards for apprenticeship agreements in conformity with the provisions of this chapter; (b) provide assistance for the development of on-the-job training programs in nonapprenticeable occupations; (c) issue such rules and regulations as may be necessary to carry out the intent and purposes of this chapter; and (d) perform such other duties as are necessary to carry out the intent and purposes of this chapter."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **S.B. 400.**

ACT 56

An Act Amending Section 93A-54, Revised Laws of Hawaii 1955, as Amended, Relating to Agricultural Unemployment Compensation.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The first sentence of subsection (a) of section 93A-54, Revised Laws of Hawaii 1955, as amended, is hereby amended to read: "Every agricultural employer shall pay to the director the amount of all benefits paid by the director pursuant to this part II for his account within thirty days after mailing of the statement of charges of such benefits by the director, notwithstanding any termination of the exclusion from employment within the meaning of chapter 93 of services performed for him which constitute agricultural labor."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **S.B. 554.**

ACT 57

An Act Relating to Witness Fees and Amending Section 222-7, Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 222-7, Revised Laws of Hawaii 1955, is hereby amended by deleting the last sentence thereof and substituting therefor the following sentence:

"Every witness coming to attend upon court from any island other than that upon which the court is holding session shall be entitled to \$6 for each day's attendance in addition to the actual round trip cost of plane or ship travel and 20 cents for each mile actually and necessarily travelled on the ground, in coming only."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **S.B. 648.**

ACT 58

An Act Relating to Powers of the Legislative Bodies of the Counties.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 138, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section to be appropriately numbered by the revisor of statutes and to read as follows:

"**Sec. 138-** The legislative body of any county with a population of less than 100,000 persons shall, without prejudice to the generality of the foregoing powers, and except as otherwise provided, have the following specific powers in addition to any other specific powers provided by law:

"(a) County planning commission. To create a county planning commission (1) to formulate a master plan providing for the future growth, development and beautification of the county in its public and private buildings, streets, roads, grounds and vacant lots; (2) to formulate subdivision and zoning regulations; and (3) to recommend the establishment of building zones;

"(b) County traffic commission. To create a county traffic commission to advise the legislative body in the regulation of traffic."

SECTION 2. The provisions of any law which are inconsistent herewith are hereby superseded by the provisions of this section.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **S.B. 695.**

ACT 59

An Act Relating to the Form of License for the Practice of Medicine and Surgery.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 64-6 of the Revised Laws of Hawaii 1955 is amended to read as follows:

“§ 64-6. **Form of license.** The form of license to practice medicine and surgery shall be substantially as follows:

State of Hawaii, Department of Health
License to Practice Medicine and Surgery

....., a native of.....,
age years, having been duly examined by the board of medical examiners, and having been recommended to the department of health as possessed of the necessary qualifications, is hereby licensed to practice medicine and surgery in the State of Hawaii.

This license is granted and accepted on the express condition that it may be revoked at any time for any of the causes enumerated in section 64-7, Revised Laws of Hawaii 1955, which cause or causes shall have been proven to the satisfaction of the department of health.

Given under the seal of the department of health this day of
....., A.D.

By.....
Director of Health”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **S.B. 1163.**

ACT 60

A Bill for an Act Amending Section 5-14.5, Revised Laws of Hawaii 1955, as Amended, Relating to Salary Periods of Public Officers and Employees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 5-14.5, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

“**Section 5-14.5. Salary periods.** Unless otherwise provided by law, all employees shall be paid at least semi-monthly except that substitute teachers, part-time hourly rated teachers of adult and evening classes, and other part-time, intermittent or casual employees may be paid once a month.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **H.B. 114.**

ACT 61

A Bill for an Act Relating to Leaves for Public Officers and Employees to be Inducted into Military Service.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Part II of chapter 5 of the Revised Laws of Hawaii 1955 is hereby further amended by adding thereto a new section, appropriately numbered, reading as follows:

“**Sec. 5- Leave for pre-induction examination.** Any officer or employee of the State or any county who is absent from work for the purpose of undergoing physical examination prior to induction into the

armed forces shall be granted leave with pay for the purpose, and such leave shall not be charged against his vacation allowance."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **H.B. 141.**

ACT 62

A Bill for an Act Relating to Rights of Police Officers Injured, Disabled, or Killed While Performing Certain Acts.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 138 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section, to be appropriately numbered and to read as follows:

"**Sec.** For the purposes of chapters 6 and 97, a police officer who is injured, disabled, or killed while actually engaged in the apprehension or attempted apprehension of law violators or suspected law violators, or in the preservation of peace, or in the protection of the rights or property of person, shall be deemed to be injured, disabled, or killed while in the actual performance of duty, and such injury, disability, or death shall be deemed to be caused by accident arising out of and in the course of his employment, notwithstanding that the accident causing such injury, disability, or death occurred at a time or place, or at a time and place, not within his regular tour of duty and notwithstanding that he was not acting under the direction of his superiors at such time and place, provided that such accident shall occur within the jurisdiction wherein he is commissioned and while he was acting solely as a police officer."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **H.B. 164.**

ACT 63

A Bill for an Act Relating to Curfew Laws for Children.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to allow the respective counties, which term as used herein shall include the city and county of Honolulu, to enact ordinances pertaining to curfew for children according to the needs existing in the respective counties. Upon each county enacting such an ordinance, then so far as that county is concerned, the ordinance shall take precedence over state curfew laws.

SECTION 2. Chapter 330, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section thereto to be appropriately numbered and to read as follows:

"**Sec. 330-** Each of the counties is hereby authorized to enact and enforce ordinances regulating the presence of children in public places and on public streets and roads during certain hours at night.

Upon each of the counties enacting an ordinance pertaining to curfew

for children, then so far as that county is concerned, such ordinance shall have full force and effect, and shall supersede sections 330-14, 330-15, 330-16, 330-17, and 330-18 until such ordinance is repealed or otherwise made invalid."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **H.B. 201.**

ACT 64

A Bill for an Act Relating to Industrial Injury Leave of Public Officers and Employees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 5 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section, to be appropriately numbered, and reading as follows:

"**Sec. Injured employee.** Whenever any policeman or fireman or any other officer or employee who is temporarily exposed to unusually hazardous conditions, or who is a member of a class, recognized by the action of repricing, to be a class exposed to unusually hazardous conditions, receives personal injury arising out of and in the performance of his duty and without negligence on his part, he shall be placed on accidental injury leave unless suspended or dismissed for cause, and continued on the payroll of his respective department at his full regular monthly salary during the first four months of his disability and thereafter during the period of his total disability from work at sixty per cent of his regular monthly salary, as though he did not sustain an industrial injury. He shall be entitled to all rights and remedies allowed under chapter 97, provided that any salary paid under this section shall be applied on account of any compensation allowed him under chapter 97 or any benefits awarded him under part III of chapter 6."

SECTION 2. Act 17 of the Session Laws of Hawaii 1962 and section 149-7 of the Revised Laws of Hawaii 1955, as amended, are hereby repealed.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **H.B. 247.**

ACT 65

A Bill for an Act Relating to Pensions for Policemen, Firemen and Bandsmen and Amending Part III of Chapter 6, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Purpose. It is the purpose of this Act to provide for appropriations from the general fund of each county for payment of benefits provided in part III of chapter 6, Revised Laws of Hawaii 1955, as amended, and to eliminate the separate "pension fund" by making such changes in the laws as are necessary to accomplish this purpose.

SECTION 2. Part III of chapter 6, Revised Laws of Hawaii 1955, as amended, is hereby amended in the following respects:

a. The title of part III is hereby amended to read as follows: **"PART III. POLICEMEN, FIREMEN AND BANDSMEN PENSION SYSTEM."**

b. The words "funds" and "fund" appearing in the following sections are hereby amended to read "systems" and "system," respectively:

Section 6-131;
 Section 6-138;
 Section 6-139;
 Section 6-140;
 Section 6-141;
 Section 6-142;
 Section 6-143;
 Section 6-147;
 Section 6-149;
 Section 6-150;

c. The words "fund" and "funds" appearing in section 6-133 are hereby amended to read "system" in all cases.

d. The title of section 6-132 is hereby amended to read as follows: **"Section 6-132. Policemen, firemen and bandsmen pension system; trustees, power."**

e. The words "pension fund" in the first sentence of paragraph 1 of section 6-132 are hereby amended to read "policemen, firemen and bandsmen pension system."

f. The words "The board of trustees of the pension fund" in paragraph 2 of section 6-132 are hereby amended to read "The board of trustees of the policemen, firemen and bandsmen pension system."

g. Section 6-135 is hereby amended to read as follows:

"Section 6-135. Appropriations and expenditure. Annually the board of supervisors of each county (or in the case of the city and county of Honolulu the city council) shall appropriate out of the general fund of the county the full amount required for each fiscal year to cover the payment of pensions and benefits granted under this part.

"Such appropriations shall be made so long as it shall be necessary to pay all pensions to persons on the pension rolls of the system as of December 31, 1927, and to pay all pensions which may become payable to or on account of all policemen, firemen and bandsmen who were in service on December 31, 1927. All such pensioners and policemen, firemen and bandsmen shall be entitled to benefits at the full rates.

"Expenditure of such appropriations shall be solely for the purposes set forth in this part."

h. Section 6-136 is hereby repealed.

i. Section 6-137 is hereby amended to read as follows:

"Section 6-137. Use of donations, contributions, gifts or bequests. All moneys received by the board of trustees as donations, contributions, gifts or bequests to be used for the purposes set forth in this part shall be deposited into a special trust fund to be known as the 'Policemen, firemen and bandsmen pension system trust fund' to be used for the purposes for which such moneys were received."

j. The words "the condition of the pension fund or any other" appearing in subsection (b) of section 6-143 are hereby deleted.

SECTION 3. This Act shall take effect upon its approval; provided that the appropriation made by each county for expenditure out of the "pension fund" for the budget year or period in force at the time of enactment of this Act shall be continued until the completion of the budget year or period.

(Approved May 20, 1963.) **H.B. 761.**

ACT 66

A Bill for an Act Amending Section 143-6 (f) of the Revised Laws of Hawaii 1955, as Amended, Relating to the Central Relocation Office.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 143-6 (f) of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending subparagraph (f) thereof to read as follows:

"(f) To establish and operate a central relocation office which shall perform such functions and activities as may be necessary and proper for the satisfactory relocation of families, individuals, businesses, and nonprofit organizations, incorporated and unincorporated, displaced by any governmental action to decent, safe and sanitary locations at rents or prices within the financial means of such displaced families, individuals, businesses, and nonprofit organizations. To the extent that special funds are made available by the State or the county, the agency may authorize the central relocation office to make relocation payments for actual moving costs to families, individuals, businesses, and nonprofit organizations, incorporated or unincorporated, displaced from other than urban renewal projects; provided, that such payments shall not exceed \$100 for each displaced family or individual and \$300 for each displaced business (including the operation of a farm) or nonprofit organization; provided further, that such payments shall not be made to recipients of any other relocation payments made by any government or agency thereof for the same displacement. In the case of a business, the allowable expenses for transportation shall not exceed the cost of moving fifty miles from the point from which such business is being displaced."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **H.B. 764.**

ACT 67

A Bill for an Act Relating to Tax Exemptions.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Amend subparagraph (b)(6) of section 128-18 of the Revised Laws of Hawaii 1955, as amended, to read:

"(6) Property owned by any nonprofit corporation, admission to membership of which is restricted by the corporate charter to members

of a labor union; property owned by any government employees' association or organization, one of the primary purposes of which is to improve employment conditions of its members; and property owned by any trust, the beneficiaries of which are restricted to members of a labor union. Notwithstanding any provision in this section to the contrary, the exemption shall apply to property or any portion thereof which is leased, rented or otherwise let to another, if such leasing, renting or letting is to a nonprofit association, organization or corporation."

SECTION 2. This Act, upon its approval, shall take effect as of January 1, 1963.

(Approved May 20, 1963.) **H.B. 812.**

ACT 68

A Bill for an Act Amending Chapter 201A of the Revised Laws of Hawaii 1955, Relating to the Retail Installment Sales Act.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 201A-1 of the Revised Laws of Hawaii 1955, is hereby amended by amending the definition of "retail seller" or "seller" to read as follows:

" 'Retail seller' or 'seller' means a person engaged in the business of selling goods to retail buyers."

SECTION 2. Section 201A-2 of the Revised Laws of Hawaii 1955, is amended by deleting the second paragraph and substituting the following:

"The printed, handwritten or typewritten portion of the contract shall be in a size at least equivalent to eight-point type. The contract shall contain, in a size and style equal at least to ten-point bold type if printed, upper case elite type if typewritten and equivalent thereto if handwritten, the words 'RETAIL INSTALLMENT CONTRACT' both at the top of the contract and directly above the space reserved for the signature of the buyer, and the words 'NOTICE TO THE BUYER' as set forth in the next paragraph.";

and by deleting subsection (a) in its entirety and the designation "(b)" in the following paragraph; and by adding after the words "The following notice", the words "shall appear immediately above the words 'RETAIL INSTALLMENT CONTRACT' where they appear directly above the space reserved for the signature of the buyer:".

SECTION 3. Section 201A-1 of the Revised Laws of Hawaii 1955 is hereby amended by the addition of a new definition to read as follows:

" 'Referral sale' means a sale of goods, subject to this chapter, in which part of the inducement offered by the seller is a rebate, discount, commission or other consideration to be given the buyer when the latter either sells or gives information leading to a sale, by the seller, of the same or related goods."

SECTION 4. Section 201A-17 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto a new subsection (a) to read as follows:

“(a) Any sale of goods, subject to the provisions of this chapter, which is a referral sale, is unenforceable and void, whether the inducement was written or oral, except as provided in subsection (d).”

SECTION 5. Section 201A-17 of the Revised Laws of Hawaii 1955 is further amended by redesignating subsections (a), (b) and (c) to read (b), (c) and (d), and deleting “(c)” in subsections (a) and (b) of section 201A-17 of the Revised Laws of Hawaii 1955, and substituting therefor “(d)”.

SECTION 6. This Act shall take effect on January 1, 1964.

(Approved May 20, 1963.) **H.B. 835.**

ACT 69

A Bill for an Act to Amend Section 133-3 of the Revised Laws of Hawaii 1955, Relating to the Deposit of State Funds in Banks.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 133-3 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

“**Section 133-3. Protection for funds deposited.** For the protection of funds deposited by the director of the budget under the provisions of this chapter, the following securities shall be deposited with the director of the budget, or with banks in the continental United States, as the director of the budget may select, to be held therein for safekeeping subject to the order of the director of the budget, any other provisions of the laws of the State to the contrary notwithstanding:

“(a) Bonds of the State or of any county of the State, for which the payment of the interest and principal is a direct obligation of the State or the county, as the case may be, in an amount at least equal in their par value to the amount of the deposit with such banks, or (b) bonds of agencies of the State or of agencies of any county of the State, for which the payment of the interest and principal is from the revenues of the issuing agency, in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with such banks, or (c) bonds of any improvement district or frontage improvement of any county of the State, for which the payment of the interest and principal is from the assessments made for the improvement, in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with such banks, or (d) bonds, notes, bills or certificates of indebtedness of the United States or of agencies of the United States, for which the payment of the interest and principal is a direct obligation of the United States, in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with such banks, (e) bonds, notes or debentures of agencies of the United States, in an amount at least equal to ninety-five per cent of their market value, but not to exceed their par value, to the amount of the deposit with such banks, or (f) warrants or warrant notes of the State in an amount at least equal in their face value to the amount of the deposit with such banks, or (g) bonds of

any other State of the United States, for which the payment of the interest and principal is a direct obligation of such State, in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with such banks, or (h) bonds of any city or of any county in the continental United States, for which the payment of the interest and principal is a direct obligation of such city or county, as the case may be, in an amount at least equal in their market value, but not to exceed their par value, to the amount of the deposit with such banks, or (i) other safe bonds as may be approved by the governor and the director of the budget, in an amount and value to the amount of the deposit with such banks as is determined by the director of the budget.

"Securities deposited under the provisions of this section may be withdrawn from time to time; provided, that the required amount of securities shall at all times be kept on deposit. The director of the budget may at any time require additional securities to be deposited under the provisions of this section.

"In the event that the bank of deposit shall fail to pay such deposits, or any part thereof, upon presentation of a check or a certificate of deposit, then the director of the budget shall forthwith convert the securities deposited under the provisions of this section into money for and on behalf of the State; provided, that no such securities shall be sold except at public auction, after giving at least ten days' notice by publication in some newspaper of general circulation in the State."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **H.B. 1120.**

ACT 70

A Bill for an Act Relating to Taxation of Certain Foreign Manufacturing Corporations Warehousing Their Products Within the State.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 121 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto the following new section:

"**Sec. 121-4.1.** (a) For the purposes of section 121-4(c), a foreign corporation engaged in the business of manufacturing without the State, having its manufactured products warehoused in this State by another person who is engaged in the business of warehousing in this State and whose compensation for providing such warehousing is included in the measure of the tax imposed by chapters 117 or 126, shall not be deemed to be carrying on a trade or business in this State if all of the following requirements are met:

(1) every delivery or sale of such products so warehoused is made at the warehouse to fill an order for such property procured by a representative (as defined in subsection (b)) from a seller licensed under chapter 117 and purchasing such property for purposes of resale;

(2) every order so procured was made subject to acceptance and was accepted by such corporation at an office located out of this State;

(3) no collection for the payment of the products delivered as

described in paragraph (1) of this subsection is made in this State by any of its employees or agents or by any representative; and

(4) except as provided in this section, it is not carrying on a trade or business in this State within the meaning of section 121-4(c).

(b) 'Representative' means a salesman, commission agent, broker or other person who is authorized or employed as an independent contractor and not as an employee by the foreign manufacturing corporation described in subsection (a) to assist such manufacturer in selling its products in this State, by procuring orders for such sale, and who carries on such activities in this State (it being immaterial whether such activities are regular or intermittent), but whose functions and authority do not include the accepting of orders for, or the making of deliveries of, or the collecting of payment for deliveries of, such products."

SECTION 2. Chapter 117 of the Revised Laws of Hawaii 1955 is hereby amended by adding to section 117-5 (at the end thereof) the following sentence and paragraph:

"A corporation deemed not to be carrying on a trade or business in this State under the provisions of section 121-4.1 shall nevertheless be deemed to be a wholesaler and shall be subject to the tax imposed by this chapter."

SECTION 3. This Act upon its approval shall apply to taxable years beginning on or after January 1, 1963.

(Approved May 20, 1963.) **H.B. 1156.**

ACT 71

A Bill for an Act Relating to the Publication of Ordinances, Amendments, Resolutions and Bills and Amending Section 138 of the Revised Laws of Hawaii 1955, as Amended, by Adding a New Section Thereto.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 138 of the Revised Laws of Hawaii 1955, as amended, is further amended by adding a new section thereto, to be appropriately numbered and to read as follows:

"Section Publication or advertising of ordinances, amendments, resolutions and bills. Notwithstanding any other provisions of the law to the contrary, whenever any law requires the publication or advertisement of ordinances, amendments, resolutions or bills, such publication or advertisement shall be in a newspaper of general circulation within the county concerned, and need not be in a daily newspaper."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **H.B. 1234.**

ACT 72

A Bill for an Act Relating to the Disposition by Police of Certain Abandoned Vehicles and Amending Section 138-32 of the Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 138-32 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

“Section 138-32. Disposition by police of certain abandoned vehicles. The chiefs of police of the several counties may dispose of vehicles which have been abandoned on any of the highways of the State or the counties or on any private or public property and have been taken into custody by the members of the police department; provided, that whenever any such vehicle is taken into custody, the chief of police of the county shall immediately send or cause to be sent a written notice of the description, location and intended disposition of such vehicle by certified or registered mail to the legal and registered owner at his last known address, if the legal and registered owner be the same person, or at their respective last known addresses, if they be different persons, according to the registration records in the county, and that such vehicle shall have remained unclaimed for a continuous period of not less than sixty days thereafter. No such notice is required if the legal and registered owner or owners cannot be ascertained. Such disposition shall be at public auction within the county where such vehicle was taken into custody under such procedure as the respective chiefs of police shall establish with the approval of the police commissions of the respective counties; provided, that any person entitled to any such vehicle may claim the same at any time prior to such action upon payment of all costs and expenses allocable to such vehicle as determined by the chiefs of police or their authorized subordinates. Leaving vehicles unattended for more than twenty-four hours shall constitute abandonment within the meaning of this section.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 20, 1963.) **H.B. 1298.**

ACT 73

A Bill for an Act Relating to the Framing and Adopting of Charters by the Counties.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. **Purpose.** The purpose of this Act is to provide the counties of this State with an increased measure of self-government and responsibility by permitting them to form charter commissions and select their own form of local government as provided by the procedures herein.

SECTION 2. The Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new chapter and sections which shall be appropriately numbered and shall read as follows:

“CHAPTER..... COUNTY CHARTERS

Section 1. **Applicability.** All counties of the State which do not have a charter shall and all counties of the State which have a charter may,

create a charter commission as provided herein. No provision of this chapter, however, shall be held to alter or restrict any provision of any existing charter, except as hereinafter specifically provided.

Section 2. Definitions. Whenever used in this chapter, unless a different meaning clearly appears from the context:

The term "chairman of the county" shall mean the chairman of the board of supervisors of the counties of Hawaii, Kauai and Maui and the mayor of the city and county of Honolulu.

The term "county or counties" shall mean the city and county of Honolulu and the counties of Hawaii, Kauai and Maui.

The term "legislative body of the county" shall mean the board of supervisors of the counties of Hawaii, Kauai and Maui and the city council of the city and county of Honolulu.

Section 3. Charter commissions. The chairman of each county may appoint a charter commission with the approval of the legislative body of the county, which shall consist of 11 members, one of whom shall be appointed by him as the chairman of the commission and at least one of whom shall be appointed from each state representative district within the county. Any vacancy in the membership of the commission shall be filled by the chairman of the county with the approval of the legislative body of the county. If, however, within thirty days of the effective date of this Act, the chairman of the county has not appointed the members of the commission, the legislative body of the county may appoint the members and select the chairman of the commission.

Section 4. Qualifications of commission members. Each commission member shall be a registered voter and resident of the county for at least three years prior to his appointment. Except for members of the school advisory councils of the counties, elected officials of the state or county governments shall not be eligible for appointment.

Section 5. Commission organization and procedures. No later than fifteen days after its members have been appointed, the commission shall organize and hold its first meeting and shall adopt such rules and regulations for the conduct of its business as it may deem necessary and desirable. The provisions of chapter 6C of the Revised Laws of Hawaii 1955, as amended, shall not be applicable hereto. The majority of the members of the commission shall constitute a quorum for the transaction of business.

Section 6. Duties and functions of commissions. The commission shall study and analyze the existing governmental structure of the county for the purpose of securing information that will enable it to draft a proposed charter adapted to the requirements of such county and designed to provide for the people of such county, a more efficient and responsible form of government. The study of any subject relevant to the government, property or other affairs of the county, or of the laws relating thereto, or of any matter or thing deemed by the commission to be pertinent thereto, and consistent with the purpose for which the commission was created, shall be deemed within the scope of the commission's work. If, after its study, the commission decides that a charter is not desirable, it shall so report to the legislative body of the county and by resolution of the legislative body of the county the commission shall be dissolved. If, however, the commission decides to draft a

charter, the charter shall set forth the structure of the county government, the manner in which it is to operate and the powers of the county in local affairs and shall provide for orderly transition from the present government to government under the charter.

Section 7. Powers of the commission. The commission shall hold public hearings and sponsor public forums and in general provide for the widest possible public information and discussion respecting the purpose and progress of its work. It shall receive the assistance of any officer or employee of the county without extra compensation as it may request to carry out its functions. It may, with the approval of the legislative body of the county, appoint staff members and consultants as it deems necessary.

Section 8. Submission of proposed charter to legislative body of the county. Within one year of its appointment, the commission shall submit a report in writing on its activities, findings and recommendations to the legislative body of the county together with a draft of the proposed charter. The legislative body of the county may in turn propose one or more sections as alternative or alternatives to any part of the proposed charter and shall return the charter with the alternatives to the commission for its study within 30 days after it has received the proposed charter from the commission.

Section 9. Submission of proposed charter to county clerk. If the legislative body of the county proposes no alternative sections to the charter, it shall submit a draft of the proposed charter to the county clerk within thirty days after it has received the charter from the commission. If, however, alternatives are submitted by the legislative body of the county to the commission, then the commission shall accept or reject the alternatives and shall submit a draft of the proposed charter together with any alternatives proposed by the legislative body of the county which have not been accepted by the commission and incorporated in its draft, to the county clerk within thirty days after the charter has been returned to it.

Section 10. Publication and submission to electors. The county clerk shall provide for the submission of the proposed charter with any alternatives as provided by section 9 of the chapter to the qualified electors of the county for approval at the next succeeding general election. The commission shall provide for the publication of the proposed charter with any alternatives, at least once a week for two successive weeks in a newspaper of general circulation within the county, the first publication to be not less than 45 days before such election.

The proposed charter shall be deemed to be approved by the electors if a majority of the electors voting on the charter in the election shall cast their ballots in favor of adoption of the charter.

The general laws and rules governing elections so far as applicable and not inconsistent with the provisions of this chapter, shall apply to elections held pursuant to the provisions of this chapter.

Section 11. Ratification of legislature. Within fifteen days after the election, the clerk shall certify a copy of the charter as approved in the manner provided in section 10 of this chapter and shall forward the charter to the lieutenant governor who shall submit it to the next regular or special session of the legislature; provided that if the charter is

not ratified at a budget or special session, he shall submit the same charter to the next general session of the legislature. The charter shall be considered ratified when a bill is enacted into law ratifying and approving the charter as submitted to the lieutenant governor by the county clerk. The charter shall be considered rejected if submitted to but not ratified by the legislature in general session. Upon ratification, the charter shall become the organic law of the county and shall supersede any existing charter and all laws affecting the organization and government of the county which are in conflict therewith.

Section 12. Charter amendment and revision subject to approval by legislature. Every charter established under the provisions of this chapter shall provide means by which the charter may be amended or revised. The provisions for amendment and revision must provide for approval of all amendments and revisions by referendum to the electors of the county. Each proposed amendment or revision, whether to a charter established under this chapter or already in existence, shall be submitted to the lieutenant governor who shall submit the same to the next regular or special session of the legislature; provided that if the amendment or revision is not ratified at a budget or special session, he shall submit the same to the next general session of the legislature. The amendment or revision shall be considered ratified when a bill is enacted into law ratifying and approving the amendment or revision as submitted to the lieutenant governor by the county clerk. The proposed amendment or revision shall be considered rejected if submitted to but not ratified by the legislature in general session.

Section 13. Tenure of commission. The terms of office of the members of the commission shall expire on the day after the election at which the proposed charter is submitted to the qualified electors of the county for approval, unless earlier terminated as provided in section 6 of this chapter.

Section 14. Compensation of commission members. Members of the charter commission shall receive as compensation for their services the sum of one thousand dollars each, and shall be reimbursed by the county for their necessary expenses incurred in the performance of their duties.

Section 15. Appropriations and disbursements. The county legislative body shall appropriate sufficient funds for the compensation of the commission members, their necessary expenses and for the effective operation of the commission including amounts necessary for hiring staff members and consultants and for defraying other reasonable expenses of the commission. Such moneys shall be disbursed by the county as prescribed by law.

Section 16. Reserved powers. Notwithstanding the provisions of this chapter, there is expressly reserved to the state legislature the power to enact all laws of general application throughout the State on matters of concern and interest and laws relating to the fiscal powers of the counties, and neither a charter nor ordinances adopted under a charter shall be in conflict therewith.

Section 17. Severability provisions. If any provision of this chapter or any sentence, clause or other part thereof shall be held to be uncon-

stitutional, the validity of the remaining provisions, sentences, clauses, or parts shall not be affected thereby."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 22, 1963.) **H.B. 18.**

ACT 74

A Bill for an Act Relating to Employment Programs in the State.

Be it Enacted by the Legislature of the State of Hawaii:

PART I. CORPS OF CIVILIAN WORKERS

SECTION 1. **Purpose.** The purpose of this part is to alleviate economic distress in those areas which have experienced excessive unemployment and to help conserve and develop the natural resources of the State of Hawaii by employing men to work in the forests of the State at such projects as planting and pruning trees, improving forest roads and camp sites, and generally to develop, conserve and beautify the forest areas.

SECTION 2. There is established a corps of civilian workers to engage in a special program of forestry conservation whenever the level of unemployment in a county reaches six per cent of the total labor force of such county, and remains at such level or higher for a period of three continuous months, as certified by the department of labor and industrial relations, State of Hawaii. The program shall be administered by the department of land and natural resources. The department, upon activation of the program, shall hire men from the counties in which such unemployment exists to do conservation work in the forests of the State of Hawaii. The program shall be terminated when the level of unemployment remains below four per cent for a period of three continuous months, but shall not terminate sooner than one year after its inception.

The provisions of chapters 3, 4, 5 and 6, Revised Laws of Hawaii 1955, as amended, except the requirements for personal history statement and loyalty oath as contained in sections 5-97 and 5-120 thereof, shall not apply to persons employed under this part.

SECTION 3. The department of land and natural resources is authorized to defray all costs incurred with respect to such programs out of any moneys appropriated to it, without regard to the original purpose of such appropriations.

PART II. YOUTH CONSERVATION CORPS

SECTION 4. The purpose of this part is to provide the governor and the State of Hawaii with the requisite authority to take advantage of federal legislation providing for the establishment of a youth conservation corps, as soon as such legislation is enacted by the Congress and approved by the President of the United States.

SECTION 5. The governor of the State of Hawaii is authorized to avail the State of Hawaii of the benefits of any law or laws of the United States, now existing or to be enacted, such as Title I, entitled Youth Conservation Corps, of the law proposed for enactment by H. R.

5131 of the First Session of the Eighty-Eighth Congress, being a bill to "authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development and management of natural resources and recreational areas; and to authorize State and community youth employment programs", or any other law or laws of similar purport.

SECTION 6. To carry out the program authorized by this part, the governor may: (1) enter into an agreement or agreements, or designate the department of land and natural resources, or any department or departments of the state government as the state agency or state agencies to enter into an agreement or agreements, with the proper authorities of the United States; (2) designate the department of land and natural resources, or any department or departments of the state government to design programs to provide healthful outdoor training and employment for young men and to advance the conservation, development, and management of natural resources and recreational areas, in accordance with the provisions of the applicable federal law; the designated department or departments may also make appropriate rules and regulations to carry out the program so designed; and (3) defray one-half of all costs incurred with respect to such programs or any other proportion of the costs of such programs which may be required by the applicable laws of the United States out of any moneys appropriated to any department or departments which may be designated by the governor to participate in such programs, without regard to the original purpose of such appropriations.

SECTION 7. The provisions of chapters 3, 4, 5 and 6, Revised Laws of Hawaii 1955, as amended, except the requirements for personal history statement and loyalty oath as contained in sections 5-97 and 5-120 thereof and except provisions of state law relating to the application of the Social Security Act of the United States to the extent that such Act shall be applicable under the federal law establishing the youth programs, shall not apply to persons employed under this part.

PART III. YOUTH EMPLOYMENT PROGRAM

SECTION 8. The purpose of this part is to provide the governor and the State of Hawaii with the requisite authority to take advantage of federal legislation authorizing local area youth employment programs, as soon as such legislation is enacted by the Congress and approved by the President of the United States.

SECTION 9. The governor of the State of Hawaii is authorized to avail the State of Hawaii of the benefits of any law or laws of the United States, now existing or to be enacted, such as Title II, entitled State and Community Youth Employment Program, of the law proposed for enactment by H. R. 5131 of the First Session of the Eighty-Eighth Congress, being a bill to "authorize the establishment of a Youth Conservation Corps to provide healthful outdoor training and employment for young men and to advance the conservation, development and management of natural resources and recreational areas; and to authorize State and community youth employment programs", or any other law or laws of similar purport.

SECTION 10. To carry out the program authorized by this part, the governor may: (1) enter into an agreement or agreements, or designate the department of labor and industrial relations, or any department or departments of the state government as the state agency or state agencies to enter into an agreement or agreements, with the proper authorities of the United States; (2) designate the department of labor and industrial relations, or any department or departments of the state government to design programs which would permit or contribute to a public undertaking or service that would not otherwise be provided, in order to provide useful work experience opportunities for unemployed youths so that their employability may be increased through the use of the local area youth employment programs authorized by federal law, in accordance with the provisions of the applicable federal law; the designated department or departments may also make appropriate rules and regulations to carry out the programs so designed; and (3) defray one-half of all costs incurred with respect to such programs, or any other proportion of the costs of such programs which may be required by the applicable laws of the United States out of any moneys appropriated to any department or departments which may be designated by the governor to participate in such programs, without regard to the original purpose of such appropriations.

SECTION 11. The provisions of chapters 3, 4, 5 and 6, Revised Laws of Hawaii 1955, as amended, except the requirements for personal history statement and loyalty oath as contained in sections 5-97 and 5-120 thereof and except provisions of state law relating to the application of the Social Security Act of the United States to the extent that such Act shall be applicable under the federal law establishing the youth programs, shall not apply to persons employed under this part.

SECTION 12. This Act shall take effect upon its approval.

(Approved May 22, 1963.) **H.B. 29.**

ACT 75

A Bill for an Act to Establish the Hawaii Agricultural Products Program.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. **Purpose.** The purpose of the Hawaii agricultural products program is to encourage the growth and development of the economy of the State by stimulating qualified agriculturalists to undertake new agricultural products enterprises through the grant of allowances for such new enterprises as are planned to produce new agricultural products intended primarily for export markets. The purpose of this Act is to be achieved in conjunction with the coordinated planning of the departments of agriculture, land and natural resources, economic development and the university and of farm organizations, agricultural research organizations and the cattle industry.

SECTION 2. **Definitions.** Whenever used in this Act:

(a) "Board" means the board of agriculture of the department of agriculture.

(b) "Qualified agriculturalist" means a person, or association of persons, actively engaged in a farm, agricultural produce processing or agricultural product development activity whose products are intended primarily for export markets.

SECTION 3. Hawaii agricultural products program. There is hereby established the Hawaii agricultural products program to be administered by the board of agriculture of the department of agriculture.

SECTION 4. Hawaii agricultural products revolving fund. There is hereby established the Hawaii agricultural products revolving fund into which shall be deposited all monies received as repayment of allowances and interest payments as provided for in this Act. The revolving fund may be expended by the board for the purposes of this Act.

SECTION 5. Rules and regulations. The board shall have the necessary powers to carry out the purposes of this Act, including the following:

(a) To receive, examine and determine the acceptability of applications by qualified agriculturalists for allowances to be limited to those new agricultural enterprises whose new products are intended primarily for export markets.

(b) To establish preferences in determining qualifications for allowances.

(c) To grant an allowance to a qualified agriculturalist based on the estimated costs of production of a new agricultural products enterprise.

(d) To establish conditions, consistent with the purposes of this Act, to the grant or to the continuance of a grant of an allowance.

(e) To inspect, at reasonable hours, an agricultural products enterprise.

(f) To require the submission of progress reports and final reports of agricultural products enterprises and to specify the information to be included in such reports.

(g) To establish the time, rate and other terms of repayment of an allowance; provided that a repayment schedule shall not be established for an agricultural products enterprise until the enterprise yields a net profit.

(h) To provide for the payment of interest on an allowance at a rate not to exceed five per cent per annum computed on the basis of simple interest on the unpaid balance, including the discretionary power to waive or extend any one or all interest payments for satisfactory cause.

(i) To reserve to the board for the purpose of repayment of an allowance a first priority after tax liens with respect to any capital gain resulting from the sale or other transfer of an agricultural products enterprise.

(j) To administer the Hawaii agricultural products revolving fund and to deposit into the fund all monies received as repayment of allowances and interest payment.

(k) To include in its budget for subsequent fiscal periods amounts necessary to effectuate the purposes of this Act.

SECTION 6. There is hereby appropriated all allowance repayments and interest payments deposited in the Hawaii agricultural products

revolving fund to be expended by the board for the purposes of this Act.

SECTION 7. This Act shall take effect upon its approval.

(Approved May 22, 1963.) **H.B. 709.**

ACT 76

A Bill for an Act Establishing the Hawaii Capital Loan Program.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. **Purpose.** The purpose of the Hawaii capital loan program is intended to provide another medium through which the department of planning and economic development may implement its responsibilities in encouraging and promoting basic commercial and industrial activities in the State in order that the economic well-being of the people may be realized.

SECTION 2. **Definitions.** As used in this Act:

(a) "Director" means the director of the department of planning and economic development.

(b) "SBA" means the Small Business Administration of the United States Government.

(c) "Small business concern" shall mean such business concerns that are defined in the Small Business Act, as amended (P. L. 87-367) and classified by the SBA in its size standards.

(d) "Department" shall mean the department of planning and economic development.

SECTION 3. **Hawaii capital loan program.** There is hereby created a capital loan program which shall be administered by the director of the department in accordance with the spirit and intent of this Act.

SECTION 4. **Hawaii capital loan revolving fund.** There is hereby established the Hawaii capital loan revolving fund into which shall be deposited all monies received as repayment of loans and interest payments as provided for in this Act.

SECTION 5. **Functions, powers, and duties of director.** In the performance of, and with respect to, the functions, powers, and duties vested in him by this Act, the director may:

(a) Prescribe rules and regulations to carry out the provisions of this Act.

(b) To perform all functions necessary to effectuate the purposes of this Act.

SECTION 6. **Rules and regulations.** The rules and regulations shall:

(a) Prescribe the qualifications for eligibility of applicants for loans.

(b) Establish preferences and priorities in determining eligibility for loans.

(c) Establish the conditions, consistent with the purposes of this Act, for the granting or for the continuance of a grant of a loan.

(d) Provide for inspection, at reasonable hours, of the plant, books and records of an enterprise which has applied for or has been granted a loan and to require the submission of progress and final reports.

SECTION 7. Loans, terms and restrictions. The department is empowered to make loans to small business concerns for the financing of plant construction, conversion, expansion, the acquisition of land for expansion, the acquisition of equipment, machinery, supplies or materials, or for the supplying of working capital. Such loans may be made in conjunction with loans made by other financial institutions, including the S.B.A. Where the loans made by the department are secured, such security may be subordinated to the loans made by other financial institutions, when such subordination is required in order to obtain loans from such institutions. The necessity for and the extent of security required in any loan shall be determined by the director.

The foregoing powers shall be subject, however, to the following restrictions and limitations:

(a) No loans shall be granted pursuant to this Act unless financial assistance is not available to the applicant.

(b) The amount of the loan or loans to any one applicant at any one time shall in no case exceed a total of \$20,000.

(c) No loan shall be made for a term exceeding twenty years.

(d) Each loan shall bear simple interest at the rate of $5\frac{1}{2}$ per cent per annum.

(e) The commencement date for the repayment of the first installment on the principal of each loan may be deferred by the director, but in no event shall such initial payment be deferred in excess of five years.

SECTION 8. Reports. The department shall make a report as of December 31st of each year of operations under this Act to the governor, the president of the senate, and the speaker of the house of representatives, on the progress made under provisions of this Act. Such reports shall be submitted not later than February 1st immediately following the period covered by the report.

SECTION 9. Effective date. This Act shall take effect upon its approval.

(Approved May 22, 1963.) **H.B. 976.**

ACT 77

A Bill for an Act Relating to Department of Accounting and General Services and Amending Section 14A-11, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to amend the law to provide for the management of state motor pools by the department of accounting and general services.

SECTION 2. Section 14A-11, Revised Laws of Hawaii 1955, as amended, is hereby further amended by inserting in line 9 of the second paragraph thereof immediately before the word "manage" the words "establish and manage motor pools;"

SECTION 3. Effective date. This Act shall take effect upon its approval.

(Approved May 23, 1963.) **H.B. 1136.**

ACT 78

An Act Relating to the County Liquor Commission Funds.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 159-15 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting therefrom the first paragraph and substituting therefor the following:

"All fees and other monies collected or received by each commission under the provisions of this chapter shall be paid weekly or more often than weekly into the general fund of the respective county. All expenses of the commission, including expenses and compensation of its members and expenses and salaries of its subordinates, shall be paid in the manner provided by law out of the general fund of the county."

SECTION 2. This Act shall take effect on July 1, 1963.

(Approved May 25, 1963.) **S.B. 839.**

ACT 79

An Act Amending Section 130-12, Revised Laws of Hawaii 1955, as Amended, Relating to Bicycle Tax.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 130-12, Revised Laws of Hawaii 1955, as amended, is hereby amended by inserting a period in lieu of the comma after the word "year" in the second sentence and deleting the words "and the moneys collected therefrom shall be paid into the general fund of the county."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1963.) **S.B. 578.**

ACT 80

An Act Relating to Special School Fund, Amending Section 39-2 and Repealing Sections 39-3 and 39-4, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 39-2 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Section 39-2. School budget, counties. Annually in accordance with the budget calendar of each county, the department of education and the appropriate county agency shall submit to the board of supervisors of each county a budget showing their respective estimated requirements of the public schools in such county for the following budget year. The budget shall be prepared in such form and detail as may be in use for each county, and shall provide for (a) the cost of operation and maintenance of school plants and facilities, including janitorial services and supplies and repairs and maintenance of buildings and grounds, (b) the

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Associate Justice (Lewis)**

cost of furnishing all pupils with the necessary supplies of paper towel, soap and toilet tissue, (c) fixed charges, and (d) capital outlays, including furniture and equipment, land, building and improvements; provided, that the amounts set forth for janitorial services and supplies in such budget shall be expended by the department of education upon warrants drawn by the auditor of the county (or in the case of the city and county of Honolulu the director of finance) based upon vouchers approved by the department of education, which vouchers shall be sufficient authorization for the issuance and payment of the warrants.

The board of supervisors of each county shall consider the budget and may in its discretion revise or change any item appearing therein. The budget shall then be incorporated into the general fund budget of each county for expenditure.

In the expenditure of appropriations provided by the budget, all school sites shall be subject to the approval of the department of education and all new buildings erected by the counties shall also be subject to the approval of the department of education as to size, arrangement, dimensions, lighting of rooms and sanitary conveniences. In the employment of janitor service, preference shall be given, where practicable, to needy and deserving pupils or their parents.

As used in this chapter, the term 'board of supervisors' shall include the city council of the city and county of Honolulu."

SECTION 2. Sections 39-3 and 39-4 are hereby repealed.

SECTION 3. This Act shall take effect upon its approval; provided that the budget for the year or period then in force at the time of enactment of this Act shall not be subject to the provisions of this Act.

(Approved May 25, 1963.) **S.B. 586.**

ACT 81

An Act Amending Chapter 38-2, Revised Laws of Hawaii 1955, as Amended, Relating to District Superintendents.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 38-2 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting from the last line of the first paragraph of the said section the word "two" and in lieu thereof substituting the word "four".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1963.) **S.B. 798.**

ACT 82

An Act Relating to Tax Clearance and Issuance of County Licenses and Amending Section 115-33 and Repealing Section 155-4 of the Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 115-33, Revised Laws of Hawaii 1955, is hereby amended by deleting the following chapter references from said section:

"Chapter 155, relating to county licenses generally."

"Chapter 157, part II, relating to licenses to sell firearms."

SECTION 2. Section 155-4, Revised Laws of Hawaii 1955, relating to issuance of county license, is hereby repealed.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 25, 1963.) **S.B. 721.**

ACT 83

An Act Relating to Acknowledgments and Other Requirements for, and the Effect of, Recordation and Registration of Mortgages and Other Instruments in the Bureau of Conveyances and Office of the Assistant Registrar of the Land Court, and Amending Sections 343-29, 343-30, 343-34(b), 343-39, 343-41, 343-49, 343-51, 343-52 and 342-60, Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 343-29 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 343-29. Acknowledgments without the State. The proof or acknowledgment of any deed or other written instrument required to be proved or acknowledged in order to enable the same to be recorded or read in evidence, when made by any person without the State and within any other state, territory, district, or dependency of the United States, may be made before any officer of such state, territory, district or dependency authorized by the laws thereof to take proof and acknowledgment of deeds and when so taken, and when the certificate of acknowledgment is in a form sufficient to entitle deeds of real property to be recorded in the appropriate office for recording in such state, territory, district, or dependency or in the form provided or permitted by any of sections 343-25, 343-26 or 343-27, shall be entitled to be recorded and may be read in evidence in the State. The signature of such officer shall constitute prima facie evidence that the acknowledgment is taken in accordance with the laws of the place where made and of the authority of the officer to take the acknowledgment. If, however, the record of any such instrument, or a transcript thereof, is used in evidence in any proceeding the burden shall be on the party relying on such record to prove that such instrument was duly executed, in any proceeding where such fact is asserted by such party and is in dispute. Said burden may be met by proof made in the manner provided in section 343-30."

SECTION 2. The first paragraph of section 343-30 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 343-30. Same; certificate of authority of officer. The burden of proving due execution of any conveyance or written instrument, acknowledged or proved under section 343-29, may be met by any admissible evidence sufficient for that purpose and shall also be met if at the time of recording or thereafter there shall be indorsed, subjoined or attached to the certificate of proof or acknowledgment, signed by such officer, a certificate of the secretary of state of the state or territory in which such officer resides, under the seal of the state or territory, or

a certificate of the clerk of a court of record of the state, territory or district in the county in which the officer resides or in which he took such proof or acknowledgment, under the seal of the court, or a certificate of the executive officer or clerk of a court of record of such dependency, authorized to make such certificate, stating that the officer was, at the time of taking the proof or acknowledgment, duly authorized to take acknowledgments and proofs of deeds of lands in the state, territory, district or dependency, and that the secretary of state, or other authorized executive officer, or clerk of court, is well acquainted with the handwriting of the officer taking the acknowledgment or proof, and that he verily believes that the signature affixed to the certificate of proof or acknowledgment is genuine."

SECTION 3. Section 343-34(b) of the Revised Laws of Hawaii 1955 is hereby amended by deleting the words "and noted" appearing in lines 2 and 3 thereof.

SECTION 4. Section 343-39 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 343-39. Changes noted in instrument. Every notary public or the officer authorized to take acknowledgments to instruments, before taking any acknowledgment, shall first carefully inspect any instrument proposed to be acknowledged before him, and ascertain whether there are any interlineations, erasures, or changes in such instrument. If there are any interlineations, erasures or changes, he shall call the attention thereto of the person offering to acknowledge the instrument. If they are approved, the acknowledging officer shall place his initials in the margin of the instrument opposite each interlineation, erasure or change. Such initialing by the officer taking the acknowledgment shall be prima facie evidence of the extent of the interlineations, erasures or changes and of the fact that the same were made prior to acknowledgment of the instrument, but shall not preclude proof to the contrary."

SECTION 5. Section 343-41 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 343-41. Not recorded unless initialed. No instrument in which there are interlineations, erasures, or changes shall be recorded by the registrar, unless the same are duly initialed by the officer or officers taking the acknowledgment or acknowledgments to the same."

SECTION 6. Section 343-49 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 343-49. Effect of not recording deeds, leases, etc. All deeds, leases for a term of more than one year, mortgages of any interest in real estate, or other conveyances of real estate within the State, shall be recorded in the bureau of conveyances. Every such conveyance not so recorded shall be void as against any subsequent purchaser, lessee or mortgagee, in good faith and for a valuable consideration, not having actual notice of the conveyance of the same real estate, or any portion thereof or interest therein, whose conveyance is first duly recorded."

SECTION 7. Section 343-51 of the Revised Laws of Hawaii 1955 is hereby amended by inserting in the first sentence thereof, immediately before the semicolon preceding the words "provided that," the following words: "or is registered under the provisions of section 342-60".

SECTION 8. Section 343-52 of the Revised Laws of Hawaii 1955 is hereby amended:

(a) By inserting therein, between the words "growing crops" and the word "shall", the following words: "and other than personal property affixed to improvements upon real estate and described as part of the security in a mortgage of the real estate and improvements"; and

(b) By adding an additional sentence thereto reading as follows: "A mortgage of a leasehold or other interest in real property shall not be considered to be a mortgage of tangible personal property within the meaning of this section."

SECTION 9. Section 342-60 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 342-60. Mortgage registration necessary. The owner of any interest in registered land may mortgage his interest in said land and any improvements thereon, and in any personal property affixed to the improvements and described in the mortgage, by executing a mortgage thereof. The mortgage may be assigned, extended, discharged, released in whole or in part or otherwise dealt with by the mortgagee by any form of instrument sufficient in law for the purpose. The mortgage, and all instruments assigning, extending, discharging and otherwise dealing with the mortgage, shall be registered, and shall take effect upon the title to the mortgaged property only from the time of registration."

SECTION 10. This Act shall take effect upon its approval.

(Approved May 25, 1963.) **S.B. 904.**

ACT 84

An Act Relating to Autopsy to Determine Cause of Death and Amending Section 260-14 of the Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 260-14 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto a second paragraph to read as follows:

"Any law to the contrary notwithstanding, the coroner's physician or medical examiner of any county (including the city and county of Honolulu) shall have the authority to perform, or cause to have performed, an autopsy to determine cause of death upon the remains of any human body which is brought into or found within the State and which appears to have come to death under any of the circumstances set forth in section 260-3, even though such circumstances may have occurred without the State."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 25, 1963.) **S.B. 1055.**

ACT 85

A Bill for an Act Amending Chapter 31, Revised Laws of Hawaii 1955, as Amended, Relating to the Sheriff.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 31, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"CHAPTER 31 SHERIFF

"Sec. 31-1. Office of sheriff created. There shall be within the department of the attorney general a division to be known as the office of sheriff, consisting of the sheriff and such deputies as the exigencies of the public service may require. They shall be subject to the supervision and control of the attorney general.

"Sec. 31-2. Appointment. The attorney general shall appoint and commission and at his pleasure remove, without regard to the provisions of chapters 3 and 4, the sheriff and deputy sheriffs.

"Sec. 31-3. Duties. The sheriff and his deputies shall be charged with service of process and execution of any order of court. They shall also perform such other functions as the attorney general may direct in furtherance of the performance of the functions of the attorney general, other than the practice of law. In that connection, upon specific authorization and direction of the attorney general, the sheriff or a deputy sheriff shall have all of the powers of a police officer, including the power of arrest.

"Sec. 31-4. Special service of process. Whenever any process issues out of any court of the State to be served on any island within the jurisdiction of the court where no serving officer is located or readily available, the attorney general shall specially deputize some suitable person on such island to make such service and return thereon. The actual expenses incurred in connection with such appointment and service, together with the serving officer's fee, shall be paid as costs by the party desiring such service.

"Sec. 31-5. Bonds. The attorney general may exact from the sheriff and such deputies private bonds of indemnity, and shall be responsible for the official acts of such officers. The attorney general may pay over to a beneficial obligee, although not named in the bond, any moneys received from the surety on account of any injury or damage suffered by such beneficial obligee by acts or omissions of the obligor within the scope of activities covered by the bond. Such beneficial obligee may, if necessary, bring action on the bond in his own name.

"Sec. 31-6. Salaries, fees. The sheriff shall receive a salary of \$9,000 annually. The sheriff's deputies shall receive in full payment of their services only such fees as are prescribed by law; provided, that the legally prescribed fees for such service of summons, subpoena, attachment, execution, or other civil process of court as provided by sections 219-4 and 219-8, shall belong to the sheriff, deputy sheriff or other officer making such service.

"Sec. 31-7. Process addressed to whom. Any process of any court of record shall be addressed to the sheriff or his deputy, or to a chief of

police, except as may be otherwise provided by law, and the sheriff or his deputy, or a chief of police, or any officer serving under them shall execute the same at their peril, according to the tenor thereof, and they shall not be liable for any damages resulting from the execution of such process.

"Sec. 31-8. Sheriff of Kalawao county. No provision in this chapter shall apply to the sheriff of the county of Kalawao, except those charging him with the service of process and execution of any order of court and providing for payment of legally prescribed fees for such service."

SECTION 2. The sum of \$9,000 or so much thereof as may be necessary to pay the compensation of the sheriff provided in this Act, is hereby appropriated from the general revenues of the State.

SECTION 3. All laws or parts of laws heretofore enacted which are in conflict with the provisions of this Act are hereby amended to conform herewith. All acts passed during this general session of 1963, whether enacted before or after the passage of this Act, shall be amended to conform to this Act, unless such acts specifically provide that this Act is being amended. The revisor of statutes is hereby authorized to make all such changes required in the Revised Laws of Hawaii 1955, as amended, in accordance with the provisions of this Act.

SECTION 4. This Act shall take effect upon its approval.

(Approved May 25, 1963.) **H.B. 801.**

ACT 86

An Act Relating to Expenditures of Money for Sister-City Relationships by Any County, Including the City and County of Honolulu.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 138 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section to be appropriately numbered and to read as follows:

"Section 138- Expenditures of money for sister-city relationships. Any other law to the contrary notwithstanding, any county, including the city and county of Honolulu, is authorized to make expenditures of public funds, whenever such funds are available, in order to further the ties of friendship, understanding and goodwill existing under sister-city relationships entered into by resolution duly adopted by the respective legislative bodies of each county, including the city and county of Honolulu."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 27, 1963.) **S.B. 1066.**

ACT 87

An Act Relating to Certain Service Businesses Rendering Services Upon the Order of or at the Request of an Intermediary, Amending Section 117-16(c), Revised Laws of Hawaii 1955 as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 117-16(c), Revised Laws of Hawaii 1955 as amended, is hereby amended to read as follows:

“(c) Where a photoprinter (or the like), tire recapper, auto painter or any other person engaged in the business of cleaning, repairing or otherwise restoring to useful service tangible personal property renders services upon the order of or at the request of another taxpayer who, by reason of constituting an intermediary between the person rendering such services and the ultimate recipient of the benefits of such services, is required to include the rendering of the same services in the measure of the tax levied on him under subsection (f) of section 117-14, or levied on him as a retailer of services under section 117-14.6, so much gross income as is derived from the rendering of such services shall be subjected to a tax on the person rendering such services at the rate of one-half of one per cent and shall be subjected to a tax on the aforesaid intermediary at the rate of three and one-half per cent.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 28, 1963.) **S.B. 1031.**

ACT 88

An Act Relating to Resale Price Maintenance Contracts.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 205-25 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

“**Sec. 205-25. Unfair competition may be actionable.** Wilfully and knowingly advertising, offering for sale or selling any commodity at less than the price stipulated in any contract entered into pursuant to the provisions of this part is unfair competition and is actionable at the suit of any person damaged thereby.”

SECTION 2. This Act shall take effect upon its approval.

(Approved May 28, 1963.) **S.B. 865.**

ACT 89

An Act Relating to Salary and Perquisites of Reporters, First Circuit, and Amending Section 218-13, Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 218-13 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the first sentence thereof and substituting therefor the following sentence:

"Each reporter shall receive for his services as above designated such salary as may be appropriated from time to time, as compensation for his services in court, and may charge not exceeding 50 cents per twenty-five line page for the original ribbon copy of transcripts of testimony and proceedings, and 25 cents per twenty-five line page for each carbon copy thereof made at the same time, when such transcripts are prepared in their regular order for the purposes of appeal to the supreme court; and for expedited service, when transcripts are prepared during the course of a trial, fifty per cent additional."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 28, 1963.) **S.B. 885.**

ACT 90

A Bill for an Act Relating to Participation by the State of Hawaii in United Student Aid Funds, Inc., and Making an Appropriation Therefor.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The Revised Laws of Hawaii 1955, as amended are hereby amended by adding new sections to be appropriately designated and to read as follows:

"Sec. -1. **Participation in United Student Aid Funds, Inc.** The department of budget and review is hereby authorized to enter into a contract with United Student Aid Funds, Inc., relating to the endorsing of bank loans for college students who are residents of Hawaii and who are or will be bona fide students attending a four-year college or university in the State of Hawaii which is accredited by the Western College Association.

"Sec. -2. **Eligibility for loans.** To be eligible for loans guaranteed under this program, students must have been accepted at a four-year accredited college or university in Hawaii and must be citizens of the United States who have been residents of the State for at least one year prior to their admittance to the college or university.

"Sec. -3. **Rules and regulations.** The department of budget and review is authorized to establish rules and regulations relating to participation by the four-year accredited colleges and universities in the program, allocation of available loan funds among the several participating colleges and universities, definition of residence, and other matters relating to this program."

SECTION 2. There is hereby appropriated out of the general revenues of the State of Hawaii, not otherwise appropriated, the sum of \$10,000, or so much thereof as may be necessary, for the purposes of this Act, such sum to be expended by the department of budget and review.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 28, 1963.) **H.B. 1400.**

ACT 91

A Bill for an Act Relating to Deductions From Taxable Income for Individual Taxpayers Making Contributions to Political Parties and Amending Section 121-5 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to encourage individuals to contribute to political parties by providing for deductions from taxable income for individual taxpayers making such contributions.

SECTION 2. Section 121-5 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new paragraph to be designated and to read as follows:

“(g) In computing taxable income there shall be allowed as a deduction, political contributions by any taxpayer not in excess of one hundred dollars in any year; provided, that such contributions are made to a central or county committee of a political party whose candidates shall have qualified by law to be voted for at the immediately previous general election.”

SECTION 3. This Act shall, upon its approval, take effect on January 1, 1964.

(Approved May 28, 1963.) **H.B. 359.**

ACT 92

An Act Relating to Appeals by Counties From Assessments by State Tax Assessors on Real Property Within the Respective Counties and Amending Chapters 116 and 128 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 128-30, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new paragraph at the end thereof to read as follows:

“The chairman of the board of supervisors or the mayor of any county may appeal any assessment of real property located within the respective county which, in his judgment, does not fairly represent the fair market value of the property assessed when compared with other property in the same county of similar character and value, and may likewise appeal from the allowance of an exemption of any property when such exemption is not authorized by law. Such appeal shall be taken to a board of review or the tax appeal court on or before March 20 of the assessment year. In any appeal taken by a county, the county shall be a party in interest with the same right of appeal from the decision of the board of review and tax appeal court as is allowed a taxpayer under the provisions of chapter 116.

Any taxpayer who has an interest in an appeal taken by the county may intervene.”

SECTION 2. Section 116-2.1, Revised Laws of Hawaii 1955, as

amended, is hereby amended by inserting immediately following the words "no taxpayer" the words "or county".

SECTION 3. Subsection 116-4(a), Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Sec. 116-4. Boards of review; duties, powers, procedure before. (a) The board of review for each division shall hear informally all disputes between the assessor and any taxpayer or county in all cases in which appeals have been duly taken and the fact that a notice of appeal has been duly filed by a taxpayer or county shall be conclusive evidence of the existence of a dispute; provided that this provision shall not be construed to permit a taxpayer to dispute an assessment to the extent that it is in accordance with his return."

SECTION 4. Subsection 116-4(b), Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting in the second sentence thereof the clause "in his notice of appeal" and substituting in lieu thereof the following: "or the county in the notice of appeal,".

SECTION 5. Subsection 116-4(c), Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a sentence at the end thereof to read as follows:

"In the case of a real property tax appeal taken by a county, a certified copy of the decision of the board shall be furnished by the assessor forthwith to the county by delivery to the county clerk."

SECTION 6. Subsection 116-4(d), Revised Laws of Hawaii 1955, as amended, is hereby amended in the following respects:

(a) By inserting after the word "taxpayer" wherever it appears the words "or county".

(b) By inserting after the word "taxpayers" in line 29, a comma and the words "the county".

SECTION 7. Section 116-10, Revised Laws of Hawaii 1955, as amended, is hereby amended in the following respects:

(a) By inserting after the word "taxpayer" in the second paragraph the words "or county".

(b) By inserting after the word "taxpayer" wherever it appears in the fourth paragraph, a comma and the words and punctuation "the county,".

SECTION 8. Section 116-12, Revised Laws of Hawaii 1955, is hereby amended in the following respects:

(a) By inserting after the word "taxpayer" wherever it appears in the second paragraph thereof the words "or county".

(b) By adding a new sentence at the end of the second paragraph thereof to read as follows:

"If an appeal is taken by a county, the notice of appeal shall be served upon the taxpayer or taxpayers concerned."

(c) By deleting in the third paragraph thereof the words "taxpayer in his" wherever they appear and substituting in lieu thereof the words "taxpayer or county in the".

SECTION 9. Section 116-13, Revised Laws of Hawaii 1955, is hereby amended in the following respects:

(a) By amending the first paragraph thereof to read as follows:

"Appeal to tax appeal court. A taxpayer or county may, in all cases,

appeal directly to the tax appeal court without appealing to the board of review by filing, on or before the date fixed by law for the taking of the appeal, a written notice of appeal in the office of the tax appeal court. An appealing taxpayer shall pay the costs in the amount fixed by section 116-19. The taxpayer or county shall also file a copy of the notice of appeal in the assessor's office or mail such copy to the assessor not later than the date fixed by law for the taking of the appeal."

(b) By inserting in the fifth paragraph thereof immediately following the word "assessor," the clause "and to the taxpayer or taxpayers in the case of an appeal taken by a county,".

(c) By deleting in the sixth paragraph thereof the words "taxpayer in his" and substituting in lieu thereof the words "taxpayer or county in the".

SECTION 10. Section 116-14, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Sec. 116-14. Appeals from boards of review to tax appeal court. An appeal shall lie to the tax appeal court from the decision of a board of review by the filing, by the taxpayer, the county or the tax assessor, of a written notice of appeal in the office of the tax appeal court within twenty days after the filing of the decision of the board of review and, in the case of an appealing taxpayer, the payment of such costs of court in the amount fixed by section 116-19. The taxpayer shall also file a copy of the notice of appeal in the assessor's office and, in case of an appeal from a decision involving a county as a party, with the county clerk. If an appeal is taken by a county, a copy of the notice of appeal shall be filed in the assessor's office and a copy shall be served upon the taxpayer or taxpayers concerned. A notice of appeal shall be sufficient if it states that the taxpayer, county or assessor appeals from the decision of the board of review to the tax appeal court and may be amended at any time. The appeal shall bring up for determination all questions of fact and all questions of law, including constitutional questions involved in the appeal.

In case of an appeal by the assessor, a copy of the notice of appeal shall be forthwith delivered or mailed to the taxpayer concerned or to the clerk of the county concerned in the manner provided in section 116-4 for giving notice of decisions.

An appeal shall be deemed to have been taken in time if the notice thereof and costs, if any, and the copy or copies of the notice shall have been deposited in the mail, postage prepaid, properly addressed to the tax appeal court, tax assessor, taxpayer or taxpayers and county, respectively, within the period hereinabove provided."

SECTION 11. Section 116-15, Revised Laws of Hawaii 1955, is hereby amended by inserting in the last sentence thereof immediately following the word "taxpayer's" a comma and the word "county's".

SECTION 12. Section 116-16, Revised Laws of Hawaii 1955, is hereby amended by inserting in the first sentence thereof immediately following the word "taxpayer" the words "or county".

SECTION 13. Section 116-17, Revised Laws of Hawaii 1955, is hereby amended in the following respects:

(a) By deleting the period at the end of the sentence in item (b)

and adding the words and punctuation "or county." at the end of the sentence.

(b) By inserting in item (c) thereof immediately following the word "taxpayer's" the words "or county's".

(c) By inserting in the first sentence of item (f) thereof immediately following the word "taxpayer" a comma and the words "the county".

(d) By inserting in the second sentence of item (f) thereof immediately following the word "taxpayer's" a comma and the word "county's".

SECTION 14. Section 116-19, Revised Laws of Hawaii 1955, as amended, is hereby amended by inserting in the last sentence thereof immediately following the word "assessor" the words "or the county".

SECTION 15. Section 116-20, Revised Laws of Hawaii 1955, as amended, is hereby amended in the following respects:

(a) By inserting immediately following the phrase "in the event of an appeal" wherever it appears the words "by a taxpayer".

(b) By adding a new paragraph at the end thereof to read as follows:

"In the event of a final determination of an appeal by a county to a board of review, the tax appeal court, or the supreme court that a higher assessment should be made of the property involved, the additional tax due shall be collected in the same manner as the tax based upon the original assessment."

SECTION 16. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 5.**

ACT 93

An Act Relating to Concessions on Public Property.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 7B, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section to be appropriately numbered and to read as follows:

"Sec. **Definition.** 'Concession' as used in this chapter means the grant to a person, partnership, corporation or joint venture, the privilege to conduct operations which are essentially retail in nature, involving the sale of goods, wares, merchandise or services to the general public, such as restaurants, cocktail lounges, soda fountains, retail stores and parking lots in or on improvements constructed by or owned by any government agency."

SECTION 2. Section 1, Act 245, Session Laws of Hawaii 1959, as amended by section 2, Act 5, Session Laws of Hawaii 1962, is hereby further amended by placing a semicolon after the last word, "law," in subparagraph (a) of section 1 and thereafter inserting the following: "provided, that the duration of the contract or license shall be related to the investment required, but in no event to exceed ten years."

SECTION 3. Section 1, Act 245, Session Laws of Hawaii 1959, as amended by section 2, Act 5, Session Laws of Hawaii 1962, is hereby further amended by deleting item (7) of subparagraph (b) of section 1 and redesignating item (8) as item (7).

SECTION 4. Section 53, as listed under section 2, Act 32, Session Laws of Hawaii 1962, is hereby amended to read as follows:

"Sec. 53. **Contract or license for concessions or concession space.** The board may, subject to the provisions of chapter 7B, Revised Laws of Hawaii 1955, as amended, dispose of concessions, as defined in said chapter 7B, and shall enter into contracts or issue licenses for such concessions; provided, that the duration of the contract or license shall be related to the investment required, but in no event to exceed ten years."

SECTION 5. Section 7B-8, Revised Laws of Hawaii 1955, is hereby amended by providing an additional paragraph to read as follows:

"If during the term of any such contract (including contracts which have been executed and are presently in force) there has been a reduction of 15% or more in the volume of business of the concessionaire for a period of sixty (60) days or more, computed on the average monthly gross income for the eighteen months just prior to said period or as long as the concessionaire has been in such business, whichever period is shorter, and such reduction as determined by such officer is caused by construction work conducted during said period of time on, or within or contiguous to, the public property upon which said concession is located by either the state or county governments, or both, such officer, with the approval of the governor in the case of a state officer and the chief executive of the respective county in the case of a county officer, may modify any of the terms of the contract, including the agreed upon rent, for a period which will allow said concessionaire to recoup the amount lost by such reduction. Provided that if such contract includes provisions allowing modification for the above contingencies, the provisions of this paragraph shall not be applicable thereto. Provided further, that this provision shall not apply to any particular concession if the application thereto may impair any contractual obligations with bondholders of the State or counties or with any other parties."

SECTION 6. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 68.**

ACT 94

An Act Relating to the Interstate Compact for the Supervision of Parolees and Probationers.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. There is hereby added to part II-A of chapter 83, Revised Laws of Hawaii 1955, as amended, a new section to be numbered section 83-76, to read as follows:

"§ 83-76. **Release of parolee or probationer.** No parolee or probationer shall be released to enter any state of the United States unless and until his case has been referred to the Hawaii compact administrator pursuant to the provisions of section 83-75. In this respect, the board of paroles and pardons and the various circuit judges, in cases under their respective jurisdictions, may, in their discretion require the individual to post bond in an amount believed sufficient to assure coverage

of return costs in the event of delinquency or commission of further crime in the receiving state during the period of parole or probation. Such bond shall be held in trust by the state director of the budget until application is made by the board or any circuit judge for its return to the depositor of its surrender to meet expenses for the return of the individual from the receiving state."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 95.**

ACT 95

An Act Relating to Game Mammals, and Amending Section 21-158 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 21-158, as amended, is hereby amended to read as follows:

"Section 21-158. Open and closed seasons, bag limits on game mammals, etc.; penalty. The board of land and natural resources may, pursuant to law, adopt rules and regulations for the purpose of protecting, conserving, propagating and harvesting wild deer and any other game mammal that may be or has been introduced into the State for hunting purpose. Such rules and regulations may include but not be limited to the establishment of open and closed seasons; bag limits; and time and method of taking, hunting or killing game mammals.

Anyone violating the provisions of such rules and regulations shall be fined not less than \$25 nor more than \$200 or imprisoned not less than thirty days nor more than ninety days, or both."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 120.**

ACT 96

An Act Relating to Real Property Tax Exemptions for Eleemosynary Organizations on Leasehold Property and Amending Section 128-18(c) of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Purpose. The purpose of this Act is to amend section 128-18(c) of the Revised Laws of Hawaii 1955, as amended, in order to exempt eleemosynary organizations on leasehold property from real property taxes.

SECTION 2. Section 128-18(c) of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"(c) The provisions of this subsection shall apply to property owned in fee simple or leased or rented for a period of one year or more, the lease or rental agreement being in force and recorded in the bureau of conveyances at the time the exemption is claimed, by a corporation, society, association or trust having a charter or other enabling act or

governing instrument which contains a provision or has been construed by a court of competent jurisdiction as providing that in the event of dissolution or termination of the corporation, society, association, or trust, or other cessation of use of the property for the exempt purpose, the real property shall be applied for another charitable purpose or shall be dedicated to the public. Exemption is allowed by this subsection for property used for charitable purposes which are of a community, character building, social service or educational nature, including museums, libraries and art academies; provided that in order for property to be exempt from taxation under this subsection not more than seventy-five per cent of the income devoted to the exempt purposes may be derived from charges made to the public or to those accommodated or served, unless the exempt purpose is to rehabilitate individuals to become self-supporting or partially self-supporting."

SECTION 3. Effective date. This Act, upon its approval, shall take effect on January 1, 1964.

(Approved May 29, 1963.) **S.B. 186.**

ACT 97

An Act Relating to the Payment of County Vehicular Taxes and Amending Section 130-2, Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to provide for the payment of county vehicular taxes to the treasurer of the county wherein the vehicle is located.

SECTION 2. Section 130-2 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the first paragraph thereof and substituting in lieu thereof the following:

"**Sec. 130-2. Imposition of tax.** Except as otherwise provided in sections 130-1 to 130-11, the following described vehicles shall be subject to an annual tax, computed according to the net weight of each vehicle in the manner hereinafter provided, to be paid by the owners thereof, which tax shall be collected by the treasurer, or his deputy, of the county in which the vehicle is located at the time of registration and shall become due and payable on January 1 and must be paid before April 1, in each year:."

SECTION 3. This Act shall take effect on January 1, 1964.

(Approved May 29, 1963.) **S.B. 202.**

ACT 98

An Act Relating to the Motor Vehicle Safety Responsibility Act.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 160, Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending sections 160-80, 160-86, 160-96 and 160-103 by substituting in each of said sections for the amount "\$5,000" the amount of "\$10,000"; by substituting for the

amount "\$10,000" the amount of "\$20,000"; and by substituting for the amount "\$1,000" the amount of "\$5,000"; and amending section 160-114 by substituting for the amount "\$11,000" the amount of "\$25,000."

SECTION 2. This Act shall take effect July 1, 1963.

(Approved May 29, 1963.) **S.B. 356.**

ACT 99

An Act Relating to the Civil Jurisdiction of District Courts in the State of Hawaii and Further Amending Section 216-4 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 216-4 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"**Sec. 216-4. Civil jurisdiction.** The district courts shall have original and exclusive jurisdiction of all civil actions, except as otherwise provided, where the debt, amount or damages, or the value of property claimed, does not exceed \$50. Except as aforesaid, such courts shall have concurrent jurisdiction in all civil actions, where the debt, amount or damages, or the value of the property claimed, does not exceed \$2,000; and shall have original jurisdiction in all statutory proceedings as conferred by law upon district courts, to try and determine the same, subject to appeal according to law; provided that attorney's commissions or fees, including those stipulated in any note or contract sued on, interest and cost, shall not be included in computing the jurisdictional amount. Such courts shall not have cognizance of real actions, nor actions in which the title to real estate comes in question, nor actions for libel, slander, defamation of character, malicious prosecution, false imprisonment, breach of promise of marriage or seduction, nor of any civil matter required by law to be tried by a jury; nor shall they have power to appoint referees in any cause."

SECTION 2. Any provision of law inconsistent or in conflict with the provisions of this Act is hereby amended and repealed to the extent of such inconsistency or conflict.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 361.**

ACT 100

An Act Providing for Filling Vacancies in the Legislature, Amending Section 11-2, Revised Laws of Hawaii 1955, as Amended, and Repealing Section 11-3, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 11-2 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the entire section and substituting in lieu thereof the following:

"(a) Whenever any vacancy in the membership of the house of representatives occurs, the governor shall make an appointment to fill

the vacancy for the unexpired term and such appointee shall be of the same political party as the person he succeeds.

(b) Whenever any vacancy in the membership of the senate occurs, the term of which ends at the next succeeding general election, the governor shall make an appointment to fill the vacancy for the unexpired term and such appointee shall be of the same political party as the person he succeeds.

In the case of a vacancy, the term of which does not end at the next succeeding general election:

(1) If it occurs forty days or more prior to the next succeeding primary election, such vacancy shall be filled for the unexpired term at the next succeeding general election. The governor shall issue a proclamation designating the election for filling such vacancy. All candidates for such unexpired term shall be nominated and elected in accordance with the provisions of this chapter. Pending such election the governor shall make a temporary appointment to fill the vacancy and the person so appointed shall serve until the election of the person duly elected to fill such vacancy. Such appointee shall be of the same political party as the person he succeeds.

(2) If it occurs less than forty days prior to the next succeeding primary but ten or more days prior to the next succeeding general election, such vacancy shall be filled for the unexpired term at the next succeeding general election. The governor shall issue a proclamation designating the election for filling such vacancy. All candidates for such unexpired senate term shall be nominated by the county committees of the parties and elected in accordance with the provisions of this chapter. Pending such election the governor shall make a temporary appointment to fill the vacancy and the person so appointed shall serve until the election of the person duly elected to fill such vacancy. Such appointee shall be of the same political party as the person he succeeds.

(3) If it occurs less than ten days prior to the next succeeding general election, the governor shall make an appointment to fill the vacancy for the unexpired term and such appointee shall be of the same political party as the person he succeeds."

SECTION 2. Section 11-3 of the Revised Laws of Hawaii 1955, as amended, is hereby repealed in its entirety.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 419.**

ACT 101

An Act Relating to Horizontal Property Regimes and Amending Act 180, Session Laws of Hawaii, 1961, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The chapter added to the Revised Laws of Hawaii 1955 by section 2 of Act 180, Session Laws of Hawaii, 1961, is hereby amended by renumbering sections 16 to 34, inclusive, thereof as sections 27 to 45, inclusive, and by amending sections 1 to 15, inclusive, thereof

so that the same shall be renumbered as sections 1 to 26, inclusive, and shall read as follows:

“Section 1. This chapter shall be known as the ‘Horizontal Property Act’.

Section 2. **Definitions.** Unless it is plainly evident from the context that a different meaning is intended, as used herein:

(a) ‘Apartment’ means a part of the property which is intended for any type of independent use, whether residence, office, the operation of any industry or business or other use, and which includes all of a building or one or more rooms or enclosed spaces located on one or more floors (or part or parts thereof) in a building, with a direct exit to a public street or highway or to a common element or elements leading to such street or highway. An apartment may also include any unenclosed space in the building which is adjacent to and accessible directly from any one or more of the rooms or enclosed spaces included in the apartment.

(b) ‘Apartment owner’ means the person owning, or the persons owning jointly or in common, an apartment and the common interest appertaining thereto; provided, that to such extent and for such purposes, including the exercise of voting rights, as shall be provided by lease filed with the board of directors, a lessee of an apartment shall be deemed to be the owner thereof.

(c) ‘Association of apartment owners’ means all of the apartment owners acting as a group in accordance with the bylaws and declaration.

(d) ‘Commission’ means the real estate commission of the state department of treasury and regulation.

(e) ‘Common elements’, unless otherwise provided in the declaration, means and includes:

(1) The land included in the horizontal property regime, whether leased or in fee simple;

(2) The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes and entrances and exits of the building or buildings;

(3) The basements, flat roofs, yards, gardens, recreational facilities, parking areas and storage spaces;

(4) The premises for the lodging or use of janitors and other persons employed for the operation of the property;

(5) Central and appurtenant installations for services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerators;

(6) The elevators, escalators, tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use;

(7) Such facilities as may be designated as common elements in the declaration; and

(8) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

(f) ‘Common expenses’ means and includes:

(1) Expenses of operation of the property; and

(2) All sums designated common expenses by or pursuant to the provisions of this Act, the declaration or the bylaws.

(g) 'Common interest' means the percentage of undivided interest in the common elements appertaining to each apartment, as expressed in the declaration, and any specified percentage of the common interests means such percentage of said undivided interests in the aggregate.

(h) 'Common profits' means the balance of all income, rents, profits and revenues from the common elements remaining after the deduction of the common expenses.

(i) 'Condominium' means the ownership of single units, with common elements, located on property within the horizontal property regime.

(j) 'Condominium project' means a real estate condominium project; a plan or project whereby a condominium of two or more apartments located within the horizontal property regime are offered or proposed to be offered for sale.

(k) 'Declaration' means the instrument by which the property is submitted to the provisions of this Act, as hereinafter provided, and such declaration as from time to time amended.

(l) 'Developer' means a person who undertakes to develop a real estate condominium project.

(m) 'Limited common elements' means and includes those common elements designated in the declaration as reserved for the use of a certain apartment or certain apartments to the exclusion of the other apartments; provided, that no amendment of the declaration affecting any of the limited common elements shall be effective without the consent of the owner or owners of the apartment or apartments for the use of which such limited common elements are reserved.

(n) 'Majority' or 'majority of apartment owners' means the owners of apartments to which are appurtenant more than fifty per cent of the common interests, and any specified percentage of the apartment owners means the owners of apartments to which are appurtenant such percentage of the common interests.

(o) 'Master deed' or 'master lease' means any deed or lease showing the extent of the interest of the person submitting the property to the horizontal property regime.

(p) 'Operation of the property' means and includes the administration and operation of the property and the maintenance, repair and replacement of, and the making of any additions and improvements to, the common elements.

(q) 'Person' means an individual, firm, corporation, partnership, association, trust or other legal entity, or any combination thereof.

(r) 'Property' means and includes the land, whether leasehold or in fee simple, to the extent of the interest held therein by the owner or lessee submitting such interest to the horizontal property regime, the building or buildings, all improvements and all structures thereon and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for use in connection therewith, which have been or are intended to be submitted to the regime established by this chapter.

(s) 'To record' means to record in accordance with the provisions of chapter 343, or to register in accordance with the provisions of chapter 342.

(t) All pronouns used herein include the male, female and neuter genders and include the singular or plural numbers, as the case may be.

Section 3. Horizontal property regimes. Whenever the sole owner or sole lessee or all of the owners or all of the lessees of a property expressly declare, through the execution and recordation of a master deed or lease, together with a declaration, which declaration shall set forth the particulars enumerated by section 11, his or their desire to submit the property to the regime established by this chapter, there shall thereby be established a horizontal property regime with respect to the property, and this chapter shall be applicable to the property. In the event that the master deed or lease is already recorded, the recordation of the declaration shall be deemed sufficient to achieve the same result.

Section 4. Status of apartments. Each apartment, together with the common interest appertaining thereto, shall for all purposes constitute real property and may be individually conveyed, leased or encumbered and be the subject of ownership, possession or sale and of all types of juridic acts inter vivos or mortis causa, as if it were sole and entirely independent of the other apartment or apartments in the property of which it forms a part, and the corresponding individual titles and interests shall be recordable.

Section 5. Ownership of apartments. The apartment owner shall be entitled to the exclusive ownership and possession of the apartment. Any apartment may be jointly or commonly owned by more than one person.

Section 6. Common elements.

(a) Each apartment shall have appurtenant thereto a common interest as expressed in the declaration.

(b) The common interest appurtenant to each apartment as expressed in the declaration shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected, expressed in an amended declaration duly recorded. The common interest shall not be separated from the apartment to which it appertains and shall be deemed to be conveyed or encumbered with the apartment even though such interest is not expressly mentioned or described in the conveyance or other instrument.

(c) The common elements shall remain undivided and no right shall exist to partition or divide any part thereof, except as otherwise expressed in this Act. Any provision to the contrary shall be null and void.

(d) Each apartment owner may use the common elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other apartment owners, subject always to the exclusive use of the limited common elements as provided in the declaration.

(e) The operation of the property shall be carried out as provided herein and in the declaration and the bylaws.

(f) The apartment owners shall have the irrevocable right, to be exercised by the board of directors, to have access to each apartment from time to time during reasonable hours as may be necessary for the operation of the property or for making emergency repairs therein necessary to prevent damage to the common elements or to another apartment or apartments.

Section 7. Compliance with covenants, bylaws and administrative provisions. Each apartment owner shall comply strictly with the bylaws and with the administrative rules and regulations adopted pursuant thereto, as either of the same may be lawfully amended from time to time, and with the covenants, conditions and restrictions set forth in the declaration. Failure to comply with any of the same shall be ground for an action to recover sums due, for damages or injunctive relief or both maintainable by the manager or board of directors on behalf of the association of apartment owners or, in a proper case, by an aggrieved apartment owner.

Section 8. Certain work prohibited. No apartment owner shall do any work which would jeopardize the soundness or safety of the property, reduce the value thereof or impair any easement or hereditament, nor may any apartment owner add any material structure or excavate any additional basement or cellar, without in every such case the unanimous consent of all the other apartment owners being first obtained.

Section 9. Liens against apartments; removal from lien; effect of part payment.

(a) Subsequent to recording the declaration as provided in this Act, and while the property remains the subject of a horizontal property regime, no lien shall arise or be created against the common elements. During such period, liens may arise or be created only against the several apartments and their respective common interests.

(b) Labor performed on or materials furnished to an apartment shall not be the basis of a lien pursuant to part II of chapter 193 against the apartment of any apartment owner not expressly consenting to or requesting the same, except that such express consent shall be deemed to be given by the owner of any apartment in the case of emergency repairs thereto. No labor performed on or materials furnished to the common elements shall be the basis of a lien thereon, but all funds received and to be received by the manager or board of directors in payment of common expenses, and the right to receive such funds, shall constitute trust funds for the purpose of paying the cost of such labor or materials performed or furnished at the express request or with the consent of the manager or board of directors, and the same shall be expended first for such purpose before expending any part of the same for any other purpose.

Section 10. Common profits and expenses. The common profits of the property shall be distributed among, and the common expenses shall be charged to, the apartment owners in proportion to the common interests appurtenant to their respective apartments.

Section 11. Recordation and contents of declaration. The bureau of conveyances and the land court shall immediately set up the mechanics and method by which recordation of a master deed or lease and the declaration may be made. Provisions shall be made for the recordation of instruments affecting the individual apartments on subsequent resales, mortgages and other encumbrances, as is done with all other real estate recordations; provided, however, that land court certificates of title shall not be issued for apartments. The declaration to which section 3 refers shall express the following particulars:

(a) Description of the land, whether leased or in fee simple, on

which the buildings or buildings and improvements are or are to be located.

(b) Description of the building or buildings, stating the number of stories and basements, the number of apartments and the principal materials of which it or they is or are constructed or to be constructed.

(c) The apartment number of each apartment, and a statement of its location, approximate area, number of rooms and immediate common element to which it has access, and any other data necessary for its proper identification.

(d) Description of the common elements.

(e) Description of the limited common elements, if any, stating to which apartments their use is reserved.

(f) The percentage of undivided interest in the common elements appertaining to each apartment and its owner for all purposes, including voting.

(g) Statement of the purposes for which the building or buildings and each of the apartments are intended and restricted as to use.

(h) The name of a person to receive service of process in the cases hereinafter provided, together with the residence or place of business of such person which shall be within the county or city and county in which the property is located.

(i) Provision as to the percentage of votes by the apartment owners which shall be determinative of whether to rebuild, repair or restore the property in the event of damage or destruction of all or part of the property.

(j) Any further details in connection with the property which the person executing the declaration may deem desirable to set forth consistent with this Act.

(k) The method by which the declaration may be amended, consistent with the provisions of this Act.

Section 12. Contents of deeds or leases of apartments. Deeds or leases of apartments shall include the following particulars:

(a) Description of the land as provided in section 11 of this Act, or the post office address of the property, including in either case an appropriate reference to the recording of the declaration.

(b) The apartment number of the apartment in the declaration and any other data necessary for its proper identification.

(c) Statement of the use for which the apartment is intended and restrictions on its use.

(d) The common interest appertaining to the apartment.

(e) All encumbrances on the apartment and any further details which the grantor and grantee, or lessor and lessee, may deem desirable to set forth consistent with the declaration and this Act.

Section 13. Copy of the floor plans to be filed. Simultaneously with the recording of the declaration, there shall be filed in the office of the recording officer a set of the floor plans of the building or buildings, showing the layout, location, apartment numbers and dimensions of the apartments, stating the name of the property or that it has no name, and bearing the verified statement of a registered architect or professional engineer certifying that it is an accurate copy of portions of the plans of the building or buildings as filed with and approved by the

county or city and county officer having jurisdiction over the issuance of permits for the construction of buildings. If such plans do not include a verified statement by such architect or engineer that such plans fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built, there shall be recorded prior to the first conveyance or lease of any apartment an amendment to the declaration to which shall be attached a verified statement of a registered architect or professional engineer certifying that the plans theretofore filed, or being filed simultaneously with such amendment, fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built. Such plans shall be kept by the recording officer in a separate file for each property, indexed in the same manner as a conveyance entitled to record, numbered serially in the order of receipt, each designated 'apartment ownership', with the name of the property, if any, and each containing an appropriate reference to the recording of the declaration. Correspondingly, the record of the declaration shall contain a reference to the file number of the floor plans of the building or buildings on the property affected thereby.

Section 14. Blanket mortgages and other blanket liens affecting an apartment at time of first conveyance or lease. At the time of the first conveyance or lease of each apartment, every mortgage and other lien affecting both such apartment and any other apartment shall be paid and satisfied of record, or the apartment being conveyed or leased and its common interest shall be released therefrom by partial release duly recorded.

Section 15. Removal from provisions of this Act.

(a) If (i) apartment owners owning not less than eighty per cent in number of apartments in the aggregate, and owning apartments to which are appurtenant not less than eighty per cent of the common interests, shall execute and record an instrument to the effect that they desire to remove the property from the provisions of this Act, and the holders of all liens affecting any of the apartments of the apartment owners executing such instrument shall consent thereto by instruments duly recorded, or (ii) the common elements shall suffer substantial damage or destruction and such damage or destruction shall not have been rebuilt, repaired or restored within a reasonable time after the occurrence thereof or the apartment owners shall have earlier determined as provided in the declaration that such damage or destruction shall not be rebuilt, repaired or restored, then, and in either such event, the property shall be subject to an action for partition by any apartment owner or lienor as if owned in common, in which event the sale of the property shall be ordered by the court and the net proceeds of sale, together with the net proceeds of the insurance on the property, if any, shall be considered as one fund and shall be divided among all the apartment owners in proportion to their respective common interests, provided, however, that no payment shall be made to an apartment owner until there has first been paid off out of his share of such net proceeds all liens on his apartment. Upon such sale, the property shall cease to be the subject of a horizontal property regime or subject to the provisions of this Act.

(b) All of the apartment owners may remove a property, or a part

of a property, from the provisions of this Act by an instrument to that effect, duly recorded, provided that the holders of all liens affecting any of the apartments consent thereto, by instruments duly recorded. Upon such removal from the provisions of this Act, the property, or the part of the property designated in such instrument, shall cease to be the subject of a horizontal property regime or subject to the provisions of this Act, and shall be deemed to be owned in common by the apartment owners in proportion to their respective common interests.

Section 16. Removal no bar to subsequent resubmission. The removal provided for in the preceding section shall in no way bar the subsequent resubmission of the property to the provisions of this Act.

Section 17. Bylaws. The operation of the property shall be governed by bylaws, a true copy of which shall be annexed to the declaration and made a part thereof. No modification of or amendment to the bylaws shall be valid unless set forth in an amendment to the declaration, which amendment is duly recorded.

Section 18. Contents of bylaws. The bylaws shall provide for at least the following:

(a) The election from among the apartment owners of a board of directors, the number of persons constituting the same and that the terms of at least one-third of the directors shall expire annually; the powers and duties of the board; the compensation, if any, of the directors; the method of removal from office of directors; and whether or not the board may engage the services of a manager or managing agent, or both, and specifying which of the powers and duties granted to the board by this Act or otherwise may be delegated by the board to either or both of them.

(b) Method of calling meetings of the apartment owners; what percentage, if other than a majority of apartment owners, shall constitute a quorum; and what percentage shall, consistent with the provisions of this Act, be necessary to adopt decisions binding on all apartment owners.

(c) Election of a president from among the board of directors who shall preside over the meetings of the board of directors and of the association of apartment owners.

(d) Election of a secretary who shall keep the minute book wherein resolutions shall be recorded.

(e) Election of a treasurer who shall keep the financial records and books of account.

(f) Operation of the property, payment of the common expenses and determination and collection of the common charges.

(g) Manner of collecting from the apartment owners their share of the common expenses.

(h) Designation and removal of personnel necessary for the maintenance, repair and replacement of the common elements.

(i) Method of adopting and of amending administrative rules and regulations governing the details of the operation and use of the common elements.

(j) Such restrictions on and requirements respecting the use and maintenance of the apartments and the use of the common elements, not set forth in the declaration, as are designed to prevent unreasonable

interference with the use of their respective apartments and of the common elements by the several apartment owners.

(k) That seventy-five per cent of the apartment owners may at any time modify or amend the bylaws, but each one of the particulars set forth in this section shall always be embodied in the bylaws.

Section 19. Books of receipts and expenditures; availability for examination. The manager or board of directors, as the case may be, shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common elements and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the apartment owners at convenient hours of week days.

Section 20. Waiver of use of common elements; abandonment of apartment; conveyance to board of directors. No apartment owner may exempt himself from liability for his contribution towards the common expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his apartment. Subject to such terms and conditions as may be specified in the bylaws, any apartment owner may, by conveying his apartment and his common interest to the board of directors on behalf of all other apartment owners, exempt himself from common expenses thereafter accruing.

Section 21. Separate taxation. The laws relating to home exemptions from state property taxes shall be applicable to the individual apartments, which shall have the benefit of home exemption in those cases where the owner of a single-family dwelling would qualify. Property taxes assessed by the State shall be assessed on and collected on the individual apartments and not on the property as a whole. Without limitation of the foregoing, each apartment and the common interest appertaining thereto shall be deemed to be a parcel and shall be subject to separate assessment and taxation for all types of taxes authorized by law, including, but not limited to, special assessments.

Section 22. Priority of lien.

(a) All sums assessed by the association of apartment owners but unpaid for the share of the common expenses chargeable to any apartment shall constitute a lien on such apartment prior to all other liens, except only (i) liens for taxes and assessments lawfully imposed by governmental authority against such apartment, and (ii) all sums unpaid on mortgages of record. Such lien may be foreclosed by suit by the manager or board of directors, acting on behalf of the apartment owners, in like manner as a mortgage of real property. In any such foreclosure the apartment owner shall be required to pay a reasonable rental for the apartment, if so provided in the bylaws, and the plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect the same. The manager or board of directors, acting on behalf of the apartment owners, shall have power, unless prohibited by the declaration, to bid in the apartment at foreclosure sale, and to acquire and hold, lease, mortgage and convey the same. Suit to recover a money judgment for unpaid common expenses shall be maintainable without foreclosing or waiving the lien securing the same.

(b) Where the mortgage of a mortgage of record or other purchaser of an apartment obtains title to the apartment as a result of foreclosure of the mortgage, such acquirer of title, his successors and assigns, shall not be liable for the share of the common expenses or assessments by the association of apartment owners chargeable to such apartment which became due prior to the acquisition of title to such apartment by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all of the apartment owners, including such acquirer, his successors and assigns.

Section 23. Joint and several liability of grantor and grantee for unpaid common expenses. In a voluntary conveyance the grantee of an apartment shall be jointly and severally liable with the grantor for all unpaid assessments against the latter for his share of the common expenses up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, any such grantor or grantee shall be entitled to a statement from the manager or board of directors, as the case may be, setting forth the amount of the unpaid assessments against the grantor, and neither such grantor nor such grantee shall be liable for, nor shall the apartment conveyed be subject to a lien for, any unpaid assessments against the grantor in excess of the amount therein set forth.

Section 24. Insurance. The manager or board of directors, if required by the declaration, bylaws or by a majority of the apartment owners, shall have the authority to, and shall, obtain insurance for the property against loss or damage by fire and such other hazards under such terms and for such amounts as shall be required or requested. Such insurance coverage shall be written on the property in the name of such manager or of the board of directors of the association of apartment owners, as trustee for each of the apartment owners in proportion to their respective common interests. Premiums shall be common expenses. Provision for such insurance shall be without prejudice to the right of each apartment owner to insure his own apartment for his benefit.

Section 25. Actions. Without limiting the rights of any apartment owner, actions may be brought by the manager or board of directors, in either case in the discretion of the board of directors, on behalf of two or more of the apartment owners, as their respective interests may appear, with respect to any cause of action relating to the common elements or more than one apartment. Service of process on two or more apartment owners in any action relating to the common elements or more than one apartment may be made on the person designated in the declaration to receive service of process.

Section 26. Personal application.

(a) All apartment owners, tenants of such owners, employees of owners and tenants, or any other persons that may in any manner use property or any part thereof submitted to the provisions of this Act shall be subject to this Act and to the declaration and bylaws of the association of apartment owners adopted pursuant to the provisions of this Act.

(b) All agreements, decisions and determinations lawfully made by the association of apartment owners in accordance with the voting per-

centages established in this Act, the declaration or the bylaws shall be deemed to be binding on all apartment owners."

SECTION 2. This Act shall take effect upon its approval; provided, however, that the provisions of Act 180, Session Laws of Hawaii, 1961, as heretofore amended, shall continue in effect with respect to, and shall govern the rights, interests and remedies of all persons owning interests in or liens upon, any property subject to a horizontal property regime created pursuant to said Act 180 prior to the effective date of this Act; and provided, further, that if all of the owners of apartments in any property subject to a horizontal property regime created pursuant to said Act 180 prior to the effective date of this Act, together with all of the holders of liens affecting any of such apartments, shall execute and record a declaration in form and content as required for the establishment of a horizontal property regime with respect to the property under the provisions of said Act 180 as amended by this Act, thereafter a horizontal property regime with respect to the property shall exist under the provisions of said Act 180 as amended by this Act and the provisions of said Act 180 as amended by this Act shall apply with respect to the property and shall govern the rights, interests and remedies of all persons owning interests in or liens upon the property.

(Approved May 29, 1963.) **S.B. 497.**

ACT 102

An Act Relating to Home Exemption for Apartments in a Multiunit Apartment Building & Prescribing Requirements Therefor.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 128-14, Revised Laws of Hawaii 1955, as amended, is hereby further amended by renumbering paragraph (3) thereof to (4) and by adding after paragraph (2) thereof the following:

"(3) An apartment which is a living unit (held under a proprietary lease by the tenant thereof) in a multiunit residential building on land held by a cooperative apartment corporation (of which the proprietary lessee of such living unit is a stockholder) under a lease for a term of five years or more for residential purposes and which apartment is used as a residence by such lessee-stockholder, where the lease and any extension or renewal have been duly entered into and recorded prior to January 1 of the year for which the exemption is claimed, and whereby such lessee-stockholder agrees to pay all taxes during the term of the lease provided that, (1) the exemption shall not be allowed in respect to any cooperative apartment unit where the owner of such cooperative apartment unit claims exemption on a home or other cooperative apartment unit; and, (2) the owner or owners of a cooperative apartment building or premises shall not be permitted exemptions where a husband and wife owner of a cooperative apartment unit own separate cooperative apartment units or separate homes owned by each of them, unless they are living separate and apart, in which case the owner of

the cooperative apartment or premises shall be entitled to one-half of one exemption."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 681.**

ACT 103

An Act Relating to the Workmen's Compensation Special Compensation Fund.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding the following sections thereto to be appropriately designated and to read as follows:

"**Sec.-(1). Special levy and special charges to finance special compensation fund.** When the cash balance of the special compensation fund established in section 97-140 falls below \$100,000 as of December 31 of any year, then the special levy on the gross premiums of insurers of employers insured under section 97-120(a) (1) provided for in section-(2) and the special charge provided in section-(3) against each employer not insuring and keeping insured, as provided in section 97-120(a) (1), shall be levied and collected during the succeeding year and each succeeding year thereafter until the cash balance of the fund equals or exceeds \$200,000 as of December 31 of any year. When the cash balance of the fund equals or exceeds \$200,000 as of December 31 of any year, then the special levy on the gross premiums of insurance companies provided for in section-(2) and the special charge provided in section-(3) against each employer not insuring and keeping insured as provided in section 97-120(a)(1) shall not be levied and collected during the succeeding year until the cash balance of the fund falls below \$100,000 as of December 31 of any year.

Sec.-(2). Special levy on insurers of employers insured under section 97-120(a)(1). For the calendar year 1964 and for each calendar year thereafter insurers of employers, as defined in section 97-1, shall pay a special levy of three-quarters of one per cent on gross premiums, as defined in section 181-313(a), derived from workmen's compensation insurance issued during the prior year in accordance with the provisions of chapter 97 and chapter 181, if the levying and collecting of such a special levy is required pursuant to the provisions of section-(1), which special levy shall be collected in the same manner as the tax provided for in section 181-313 is collected and shall be deposited in the special compensation fund established in section 97-140. This special levy shall be in addition to any tax imposed in chapter 181 on gross premiums derived from workmen's compensation insurance.

Sec.-(3). Special charge against employers not insured under section 97-120(a)(1). (a) As used in this section,

(1) 'Employing unit' means an employer who has not secured compensation to his employees under section 97-120(a)(1).

(2) 'Average annual compensation' means the average of annual compensation payments made by an employing unit for a period con-

sisting of two consecutive calendar years immediately preceding the year for which the special charge is assessed under this section; provided that if, at the end of a calendar year, an employing unit was subject to chapter 97 for a period less than twelve consecutive months the total amount of compensation payments made by him during such period shall constitute his average annual compensation.

(3) 'Employing unit's compensation ratio' means the percentage ratio derived by dividing an employing unit's average annual compensation at the end of a calendar year by the total average annual compensation paid during the same two calendar years by all employers subject to chapter 97.

(4) 'Carrier's compensation ratio' means the quotient derived by dividing the total average annual compensation paid during the two most recent calendar years by all insurance carriers on behalf of employers insured and keeping insured under section 97-120(a)(1) by the total average annual compensation paid during the same two calendar years by all employers subject to chapter 97.

(5) 'Anticipated total assessment' means the amount derived by dividing the total amount of the special levy to be paid by insurance carriers in a calendar year as required by section-(2) by the most recent carrier's compensation ratio.

(b) For the calendar year 1964 and for each calendar year thereafter an employing unit shall, except as otherwise provided in section-(1), pay into the special compensation fund a special charge in an amount which is equal to the product derived by multiplying his most recent compensation ratio by the most recent anticipated total assessment.

For each calendar year the director of treasury and regulation shall determine the amount of the special charge to be paid by each employing unit, and shall give notice of such charge to each employing unit by May 1 of the year for which such charge is assessed. The amount of such charge shall be paid on or before June 30 following notification.

The director of budget may withhold the additional charge due from a political subdivision from any moneys due such subdivision from the State if the subdivision has not paid its special charge as required by this section and shall deposit the withheld amount in the special compensation fund."

SECTION 2. This Act shall take effect on July 1, 1963.

(Approved May 29, 1963.) **S.B. 878.**

ACT 104

An Act Amending Section 115-37.5, Revised Laws of Hawaii 1955, as Amended, Relating to Liens Upon Property for State Taxes Due and Unpaid.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subsection (a) of section 115-37.5, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding an additional paragraph thereto to be numbered and to read as follows:

"(5) The term 'real property' includes leasehold or other interests in real property and also any personal property sold or mortgaged with real property if affixed to the real property and described in the instrument of sale or mortgage."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 890.**

ACT 105

A Bill for an Act to Amend Section 51-56 of the Revised Laws of Hawaii 1955, to Permit Commercial Secondary Processors of Unenriched Flour, Other Than Bakeries, to Purchase Such Unenriched Flour Without the Necessity of Furnishing a Certificate of Intent.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 51-56 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"**Sec. 51-56. Flour must be enriched.** It shall be unlawful for any person to manufacture, mix, compound, sell or offer for sale in this State for human consumption therein, any unenriched flour; provided that unenriched flour may be used in the manufacture of macaroni, cracker, soy sauce or other non-baking products; provided further that unenriched flour may be sold to commercial bakers of bread, rolls or buns if, prior to or simultaneously with delivery, the baker furnishes to the seller a certificate of intent in such form as the department of health shall by regulation prescribe, certifying that such flour will be used only in the manufacture, mixing or compounding of flour or white bread or rolls enriched to meet the requirements of sections 51-55 to 51-60. It shall be unlawful for such baker to use the flour so purchased in any manner other than as stated in such certificate."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **H.B. 118.**

ACT 106

A Bill for an Act Relating to the Use of Strikebreakers and the Hiring of Employees During Labor Disputes, and Amending Chapter 90, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 90, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new section to be appropriately numbered and to read as follows:

"**Section 90-** It shall be unlawful for any person:

(a) To recruit, procure, supply, or refer any person for employment in place of an employee involved in a labor dispute in which such person recruiting, procuring, supplying or referring is not directly interested.

(b) When involved in a labor dispute, to employ in place of an employee involved in such labor dispute any person who customarily and repeatedly offers himself for employment in the place of employees

involved in a labor dispute, or to knowingly employ any person in place of an employee involved in a labor dispute who is recruited, procured, supplied or referred for employment by any person not directly involved in the labor dispute.

(c) Who customarily and repeatedly offers himself for employment in place of employees involved in a labor dispute to take or offer to take the place in employment of employees involved in a labor dispute.

(d) Involved in a labor dispute to contract or arrange with any other person to recruit, procure, supply, or refer persons for employment in place of employees involved in such labor dispute.

(e) To recruit, solicit, or advertise for employees, or refer persons to employment, in place of employees involved in a labor dispute, without adequate notice to such person, or in such advertisement, that there is a labor dispute at the place at which employment is offered and that the employment offered is in place of such employees involved in such labor dispute.

SECTION 2. If any person advertises for, or seeks employees by means of newspapers, posters, letters, radio, television or by means of any employment agency to work for him or the person for whom he is acting at any shop, plant or establishment, while a strike, lockout, or other labor dispute as defined in section 90-2(h) of the Revised Laws of Hawaii 1955, as amended, is still in active progress at such shop, plant or establishment, he shall plainly and explicitly mention in such advertisement that a strike, lockout, or other labor dispute exists.

The person inserting any such advertisement or by means of any employment agency shall insert in such advertisement his own name, and, if he is representing another, the name of the person he is representing and at whose direction and under whose authority he is inserting the advertisement. The appearance of this name in connection with such advertisement is prima facie evidence as to the person responsible for the advertisement.

SECTION 3. Any person, or agent or officer thereof, who violates any of the provisions of this Act is punishable by a fine of not more than \$1000 or imprisonment of not more than one year or both.

SECTION 4. If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of the provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SECTION 5. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **H.B. 725.**

ACT 107

An Act Amending Chapter 343 of the Revised Laws of Hawaii 1955 as Amended, Relating to the Bureau of Conveyances, Recording.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The following words in chapter 343, Revised Laws of Hawaii 1955 are amended as follows:

a. All reference to "department of public lands" is amended to "department of land and natural resources."

b. All reference to the "commissioner" or "commissioner of public lands" is amended to read "board" or "board of land and natural resources."

SECTION 2. Section 343-4 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Section 343-4. Entry record. The registrar shall make and keep in such form and manner as shall be prescribed by the board of land and natural resources a permanent record of the receipt of every deed and instrument left for record, every copy left as a caution, and every plan filed, and shall note on the record, in addition to a description sufficient to identify the document and the date and time of its receipt, such other facts as shall be prescribed by the board of land and natural resources. Every such document shall be considered as recorded at the time so noted."

SECTION 3. Section 343-5 of the Revised Laws of Hawaii 1955 is hereby repealed.

SECTION 4. Section 343-21 of the Revised Laws of Hawaii 1955 is hereby amended as follows:

a. By deleting in paragraph one the words "at the foot of the copy."

b. By deleting from said section 343-21 the last paragraph thereof and adding the following in its place:

"On all documents to be recorded the top two and one-half ($2\frac{1}{2}$) inches of the first page shall be reserved for recording information. The left-hand three and one-half ($3\frac{1}{2}$) inches of such space shall be reserved for information to the public to show the person requesting recordation and to whom the document should be returned. All instruments, papers or notices presented for recordation should be on a quality of paper that will reproduce legibly by photostatic or microfilm process."

SECTION 5. Section 343-54 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Section 343-54. Copies of old records. The registrar shall prepare photostatic and/or microfilm copies of the records and record books in the bureau of conveyances which by reason of age, usage or otherwise are in such condition that they can no longer be conveniently used or consulted without danger of destruction thereof, and certify to the correctness of such copies. Such certified copies, and prints made from them and similarly certified, may be read in evidence with the same force and effect as the original instrument. The correctness of such copies shall not be conclusive but may be rebutted. All such records and record books from which such copies are made shall be deposited with the department of accounting and general services in its public archives."

SECTION 6. Except for sections 2, 3 and 4, this Act shall take effect upon its approval. Sections 2, 3 and 4 shall take effect January 1, 1964.

(Approved May 29, 1963.) **S.B. 78.**

ACT 108

An Act Relating to Service of Summons and Other Writs Issued by a District Court.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 216-6, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new paragraph at the end thereof to read as follows:

"A summons or other writ issued by a magistrate of a district court may be served in the manner as provided by law, throughout the judicial circuit in which such district court is situated; provided such summons or other writ is issued by the magistrate of the district court of the district wherein the defendant resides."

SECTION 2. Section 229-1, Revised Laws of Hawaii 1955 is hereby amended by inserting immediately after the first sentence thereof a sentence to read as follows:

"All original writs issued by a magistrate or clerk of the court of the district wherein the defendant resides may be served throughout the judicial circuit in which the district court is situated."

SECTION 3. Section 229-13, Revised Laws of Hawaii 1955, is hereby amended by inserting immediately after the first sentence thereof a new sentence to read as follows:

"Summons and other process issued under this section may be served throughout the judicial circuit in which the district court is situated; provided the defendant or any of the defendants is a resident of such district."

SECTION 4. Section 233-31, Revised Laws of Hawaii 1955, is hereby amended by deleting the colon following the words "the following form" and adding a clause to read as follows:

"and may be directed to any police officer of any district for the judicial circuit in which the district court is situated; provided the defendant or any of the defendants is a resident of such district:"

SECTION 5. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 198.**

ACT 109

An Act Relating to Information Received by Medical Study Committees and In-Hospital Staff Committees Engaged in Making Studies to Reduce Morbidity and Mortality.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Any person, hospital, sanitorium, nursing or rest home or other similar medical facility may provide information, interviews, reports, statements, memoranda, or other data or material relating to the condition and treatment of any person to the maternal and perinatal mortality study committee of the Hawaii medical association or any in-hospital staff committee, to be used in the course of any study for the purpose of reducing morbidity or mortality, and no liability of any kind

or character for damages or other relief shall arise or be enforced against any person or organization by reason of having provided such information or material, or by reason of having released or published the findings, conclusions and summaries of such research or study committees to advance medical research and medical education.

SECTION 2. The maternal and perinatal mortality study committee of the Hawaii medical association or any in-hospital staff committee shall use or publish said material only for the purpose of advancing medical research, medical education or education of the public in the interest of reducing morbidity or mortality. In all events, the identity, or any group of facts which tends to lead to the identity, of any person whose condition or treatment has been studied shall be confidential and shall not be revealed under any circumstances.

SECTION 3. Any findings, conclusions or summaries resulting from medical studies within the scope of this Act shall not be used or made available in any legal proceeding. Any information set forth in section 1 provided to any research or study committee shall not be used or made available in any legal proceeding unless it is unobtainable from the original source. In such event, the judicial officer shall in camera inspect the committee's findings, conclusions or summaries and make available factual information contained therein.

SECTION 4. Any person violating any of the provisions of this Act shall be guilty of a misdemeanor and fined not more than \$500.

SECTION 5. If any provisions of this Act are held for any reason invalid by a court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Act.

SECTION 6. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 343.**

ACT 110

An Act Relating to the Transfer of Funds With Respect to Hana Belt Road, Maui, and Kalanianaʻole Highway, Oahu, and Amending Section 1 of Act 30, Session Laws of Hawaii 1962.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to enable the construction of Hana belt road in view of certain technicalities with respect to the use of the highway special fund previously authorized by Act 30, Session Laws of Hawaii 1962. The Hana belt road between Waipio and Kailua, Maui, has been held to have insufficient benefit-cost ratio to qualify for federal aid, and special fund expenditures for construction are authorized to be used only in conjunction with federal aid; consequently, the construction of the Hana belt road is not possible with the fund appropriated as specified in Act 30. The amendment of Act 30 by means of transfer of funds as made herein is intended to correct the difficulties caused by the technicalities.

SECTION 2. Section 1 of Act 30, Session Laws of Hawaii 1962, is hereby amended in the following respects:

(a) By amending item B-3-r to read as follows:

"Kalaniana'ole highway from Kailua junction towards Waimanalo	207,097
Construct 3.1 miles of four lane divided highway....	554,153 (s)
	761,250"

(b) By amending item C-3-1 to read as follows:

"Hana belt road, from Waipio to Kailua..... 177,153"

The above amendments shall be effectuated as follows: (1) transfer of \$177,153 appropriated out of a special fund for Hana belt road construction from Waipio to Kailua, Maui, which is item 1-C-3-1 of Act 30, Session Laws of Hawaii 1962, to a special fund for Kalaniana'ole highway construction from Kailua junction towards Waimanalo, Oahu, which is item 1-B-3-r of Act 30, Session Laws of Hawaii 1962, and (2) the transfer of \$177,153 of appropriated general obligation bond funds from Kalaniana'ole highway construction from Kailua junction towards Waimanalo, Oahu, which is item 1-B-3-r of Act 30, Session Laws of Hawaii 1962, to the Hana belt road construction project from Waipio to Kailua, Maui, which is item 1-C-3-1 of Act 30, Session Laws of Hawaii 1962.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 593.**

ACT 111

An Act to Change the Designation of the "Beauty Culture Board" to "Board of Cosmetology."

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The name of the "beauty culture board" within the department of treasury and regulation is hereby changed to "board of cosmetology."

SECTION 2. The revisor of statutes shall appropriately revise chapter 59, Revised Laws of Hawaii 1955, as amended, and other pertinent statutes.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 601.**

ACT 112

An Act Pertaining to the Hawaii Insurance Law.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Item (2) of paragraph (a) of section 181-83, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"(2) have capital funds as required by this chapter based upon the type and domicile of the insurer and the classes of insurance which such insurer is authorized to transact in its domicile; and"

SECTION 2. Paragraph (a) of section 181-83, Revised Laws of

Hawaii 1955, is hereby further amended by renumbering item (5) to read item (6) and by adding thereto a new item (5) to read as follows:

"(5) have continuously, actively and successfully transacted the business of insurance for at least five years immediately prior thereto, except that in the case of a reorganization (including a merger, corporate acquisition or formation of a subsidiary) of a capital stock or mutual insurer the five-year period shall be computed from the date of the organization of the original or parent insurer or insurers if substantially the same management continues; and"

SECTION 3. Paragraph (b) of section 181-83, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"(b) Items (4) and (5) of paragraph (a) of this section shall not apply to a domestic insurer."

SECTION 4. Section 181-88, Revised Laws of Hawaii 1955, is hereby amended by inserting after the word "insurance" in the third line of said section the following: "and subject to the provisions of section 181-83 (a) (2),".

SECTION 5. Section 181-89, Revised Laws of Hawaii 1955, is hereby amended by deleting the colon in the ninth line of said section and inserting after the word "transacted" in said ninth line the following: "in the case of a domestic insurer, and in the case of a foreign or alien insurer not less than fifty percent of the capital stock or surplus otherwise required for the class or classes of insurance which such insurer is authorized to transact in its domicile";.

SECTION 6. Section 181-90 (a), Revised Laws of Hawaii 1955, is hereby amended by inserting after the comma in the ninth line of said section the following: "and subject to the provisions of section 181-83 (a) (2),".

SECTION 7. Paragraph (a) of section 181-106, Revised Laws of Hawaii 1955, is hereby amended by changing the date appearing in the second line thereof from "April 30" to "March 15".

SECTION 8. Section 181-312, Revised Laws of Hawaii 1955, as amended, is hereby further amended by changing the date appearing in the third line thereof from "April 30" to "March 15".

SECTION 9. Section 181-136, Revised Laws of Hawaii 1955, is hereby amended by adding thereto a new paragraph (d) to read as follows:

"(d) Any such solicitation permit granted by the commissioner shall limit the portion of funds received on account of such new issue of corporate securities which may be used for promotion and sales expenses for the new issue to such amount as the commissioner deems adequate, but in no event to exceed fifteen percent of such funds as and when actually received."

SECTION 10. Section 181-216, Revised Laws of Hawaii 1955, is hereby repealed.

SECTION 11. Section 181-420(f) of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by renumbering subsection (7) thereof to read subsection (8) and by adding thereto a new subsection (7) to read as follows:

"(7) An insurer may affix to the policy or include therein a written statement that the policy does not cover loss or damage by fire to sugar cane caused by volcanic activity; provided, however, that nothing herein contained shall be construed to prohibit the attachment to any such policy of an endorsement or endorsements specifically assuming coverage for loss or damage by fire to sugar cane caused by volcanic activity."

SECTION 12. Section 181-641, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Section 181-641. Purpose of sections on unfair practices. The purpose of sections 181-641 to 181-646 is to regulate trade practices in the business of insurance in accordance with the intent of Congress of the United States as expressed in the Act of Congress of March 9, 1945 (Public Law 15, 79th Congress), by defining, or providing for the determination of, all acts, methods, and practices which constitute unfair methods of competition or unfair or deceptive acts or practices in this State, and in the case of persons domiciled in or resident of this State, in any other state, territory, possession, province, country, or district, and by prohibiting the trade practices so defined or determined."

SECTION 13. Section 181-642, Revised Laws of Hawaii 1955, is hereby amended by adding a new sentence thereto to be inserted between the first sentence and the second sentence in said section to read as follows: "No person domiciled in or resident of this State shall engage in any other state, territory, possession, province, country, or district in any act or practice which is prohibited in sections 181-641 to 181-646, or which is defined therein as, or determined pursuant thereto, to be an unfair method of competition or any unfair or deceptive act or practice in the business of insurance."

SECTION 14. Section 181-644, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Section 181-644. Power of commissioner. The commissioner shall have power to examine and investigate into the affairs of every person engaged in the business of insurance in this State and of any person domiciled in or resident of this State engaged in the business of insurance in any other state, territory, possession, province, country, or district in order to determine whether such person has been or is engaged in any unfair method of competition or in any unfair or deceptive act or practice prohibited by section 181-643."

SECTION 15. Paragraph (a) of section 181-645, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"(a) If, after a hearing thereon of which notice of such hearing and of the charges against him were given such person, the commissioner finds that any person has engaged or is engaging in any act or practice defined in or prohibited under section 181-643 in this State or that any person domiciled in or resident of this State has engaged or is engaging in any act or practice defined in or prohibited under section 181-643 in any other state, territory, possession, province, country, or district, the commissioner shall order such person to desist from such act or practice."

SECTION 16. Paragraph (a) of section 181-646, Revised Laws of Hawaii 1955, is hereby amended by deleting the word "Territory" appearing in the third line of said paragraph and substituting therefor

the following: "State, or that any person domiciled in or resident of this State is engaging in any other state, territory, possession, province, country, or district,".

SECTION 17. Section 181-138 (e) (1), Revised Laws of Hawaii 1955, is hereby amended by amending said item to read as follows:

"(1) The name of the insurer, which shall include the word 'Insurance' and, as the last word thereof, one of the words 'Corporation,' 'Incorporated' or 'Limited' or, one of the abbreviations 'Corp.,' 'Inc.' or 'Ltd.'"

SECTION 18. Section 181-105, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Section 181-105. Exceptions. The provisions of section 181-104 shall not apply to reinsurance contracts between insurers, to life insurance, to bid bonds issued by any surety insurer in connection with any public or private contract, or to insurance contracts:

- (a) Issued as a surplus line under 181-325.
- (b) Covering ocean marine insurance.
- (c) Issued by a domestic insurer, if countersigned by an executive officer or other employee whose compensation is entirely by salary."

SECTION 19. This Act shall become effective on January 1, 1964.

(Approved May 29, 1963.) **S.B. 640.**

ACT 113

An Act Relating to Maui Community Hospitals.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 148-20 of the Revised Laws of Hawaii 1955 is hereby amended by deleting therefrom the words "Hana Hospital" and "Central Maui Memorial Hospital", appearing in the first and second lines respectively, and substituting in lieu thereof the words "Hana Medical Center" and "Maui Memorial Hospital", respectively.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 29, 1963.) **S.B. 644.**

ACT 114

A Bill for an Act Relating to the Redesignation of Certain Departments and Department Heads of the Executive Departments of the State.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The department of budget and review shall hereafter be known as the department of budget and finance. The director of budget and review shall hereafter be known as the director of finance.

SECTION 2. Chapter 14A of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the words "department of budget and review" and "director of budget" wherever found therein and by substituting therefor the words "department of budget and finance" and "director of finance", respectively.

SECTION 3. The department of treasury and regulation shall hereafter be known as the department of regulatory agencies. The treasurer shall hereafter be known as the director of regulatory agencies.

SECTION 4. Chapter 14A of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the words "department of treasury and regulation" and "treasurer" (referring to the head of the department of treasury and regulation) wherever found therein and by substituting therefor the words "department of regulatory agencies" and "director of regulatory agencies", respectively.

SECTION 5. All laws or parts of laws heretofore enacted which are in conflict with the provisions of this Act are hereby amended to conform herewith. All acts passed during this general session of 1963, whether enacted before or after the passage of this Act, shall be amended to conform to this Act, unless such acts specifically provide that this Act is being amended. The revisor of statutes is hereby authorized to make all such changes required in the Revised Laws of Hawaii 1955, as amended, in accordance with the provisions of this Act.

SECTION 6. If any portion of this Act is declared to be invalid, the remaining portions of this Act shall not be affected thereby.

SECTION 7. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **H.B. 42.**

ACT 115

An Act Relating to the Use of Certain Chemical Substances.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to prohibit the use of chemical inhalants as intoxicants.

SECTION 2. Chapter 53, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding two new sections to be appropriately designated and to read as follows:

"Sec. 53- Use of certain chemical substances as inhalants unlawful. It shall be unlawful for any person to use as an inhalant any substance, not a 'food' as defined in section 51-1(d), which substance includes in its composition volatile organic solvents including amyl-acetate, trichloroethylene and acetone or any other chemical substance, capable of producing upon inhalation any degree of intoxication; provided that the provisions of this section shall not apply to any person using as an inhalant any such chemical substance pursuant to the direction of a physician.

Sec. 53- Penalty. Any person who violates any provision of section 53- shall, upon conviction, be punished by a fine not exceeding \$100 or by imprisonment not exceeding three months, or by both."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 959.**

ACT 116

An Act Relating to Workmen's Compensation.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 97 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read:

**"CHAPTER 97
WORKMEN'S COMPENSATION LAW
PART I. GENERAL PROVISIONS**

Sec. 97-1. Definitions. In this chapter, unless the context otherwise requires:

'Appellate board' means the labor and industrial relations appeal board or one of the industrial accident boards.

'Compensation' means all benefits accorded by this chapter to an employee or his dependents on account of a work injury as defined in this section; it includes medical and rehabilitation benefits, income and indemnity benefits in cases of disability or death, and the allowance for funeral and burial expenses.

'Covered employment' means employment of an employee as defined in this section or of a person for whom the employer has provided voluntary coverage pursuant to section 97-4.

'Director' means the director of labor and industrial relations.

'Disability' means loss or impairment of a physical or mental function.

'Department' means the department of labor and industrial relations.

'Employee' means any individual in the employment of another person except where such employment is solely for personal, family or household purposes.

Where an employee is loaned or hired out to another person for the purpose of furthering such other person's trade, business, occupation, or profession, the employee shall, beginning with the time when the control of the employee is transferred to such other person and continuing until such control is returned to the original employer, be deemed to be the employee of such other person regardless of whether he is paid directly by such other person or by the original employer. The employee shall be deemed to remain in the sole employment of the original employer if such other person fails to secure compensation to the employee as provided in section 97-120.

Whenever an independent contractor undertakes to perform work for another person pursuant to contract, express or implied, oral or written, such independent contractor shall be deemed the employer of all employees performing work in the execution of the contract, including employees of his subcontractors and their subcontractors. However, the liability of the direct employer of an employee who suffers a work injury shall be primary and that of the others secondary in their order. An employer secondarily liable who satisfies a liability under this chapter shall be entitled to indemnity against loss from the employer primarily liable.

'Employee in comparable employment' means a person, other than the injured employee, who is employed in the same grade in the same

type of work by the same employer or, if there is no person so employed, a person, who is employed in the same grade in the same type of work by another employer in the same district.

'Employer' means any person having one or more persons in his employment. It includes the legal representative of a deceased employer and the State, any county or political subdivision of the State, and any other public entity within the State.

The insurer of an employer is subject to such employer's liabilities and entitled to his rights and remedies under this chapter as far as applicable.

'Employment' means any service performed by an individual for another person under any contract of hire or apprenticeship, express or implied, oral or written, whether lawfully or unlawfully entered into. It includes service of public officials, whether elected or under any appointment or contract of hire express or implied.

'Employment' does not include the following service—

(a) Service for a religious, charitable, educational or nonprofit organization if performed in a voluntary or unpaid capacity;

(b) Service for a religious, charitable, educational or nonprofit organization if performed by a recipient of aid therefrom and the service is incidental to or in return for the aid received;

(c) Service for a school, college, university, college club, fraternity or sorority if performed by a student who is enrolled and regularly attending classes and in return for board, lodging or tuition furnished, in whole or in part;

(d) Service performed by a duly ordained, commissioned or licensed minister, priest, or rabbi of a church in the exercise of his ministry or by a member of a religious order in the exercise of nonsecular duties required by such order.

As used in this paragraph 'religious, charitable, educational or nonprofit organization' means a corporation, unincorporated association, community chest, fund or foundation organized and operated exclusively for religious, charitable or educational purposes, no part of the net earnings of which inure to the benefit of any private shareholder or individual.

'Personal injury' includes death resulting therefrom.

'Total disability' means disability of such an extent that the disabled employee has no reasonable prospect of finding regular employment of any kind in the normal labor market.

'Trade, business, occupation, or profession' means all commercial, occupational, or professional activities, whether conducted for pecuniary gain or not. It includes all activities of nonprofit organizations conducted in pursuit of their purposes.

'Wages' means all remuneration for services constituting employment. It includes the market value of board, lodging, fuel and other advantages having a cash value which the employer has paid as a part of the employee's remuneration and gratuities received in the course of employment from others than the employer to the extent that they are customary and expected in that type of employment or accounted for by the employee to the employer.

'Work injury' means a personal injury suffered under the conditions specified in section 97-3.

Sec. 97-2. Definitions relating to family relationships. 'Child' includes a posthumous child, adopted child, stepchild, and illegitimate child acknowledged prior to the personal injury.

'Brother' or 'sister' includes a half brother or half sister, a stepbrother or stepsister, and a brother or sister by adoption.

'Grandchild' includes a child of an adopted child and a child of a stepchild, but does not include a stepchild of a child.

'Parent' includes a stepparent or a parent by adoption.

'Grandparent' includes a parent of a parent by adoption, but does not include a parent of a stepparent, a stepparent of a parent or a stepparent of a stepparent.

Sec. 97-3. Injuries covered. If an employee suffers personal injury either by accident arising out of and in the course of the employment or by disease proximately caused by, or resulting from the nature of, the employment his employer or the special compensation fund shall pay compensation to the employee or his dependents as hereinafter provided.

Accident arising out of and in the course of the employment includes the wilful act of a third person directed against an employee because of his employment.

No compensation shall be allowed for an injury incurred by an employee by his wilful intention to injure himself or another or by his intoxication.

Sec. 97-4. Voluntary coverage. Any employer who has individuals in his employment who are not employees as defined in section 97-1 may elect to provide coverage for them under this chapter. During the period for which such election is effective the employer and the individual in his employment covered thereby shall be deemed to be employees and be subject in all respects to the provisions of this chapter.

Election by any employer to provide coverage under this chapter shall be made by securing compensation to the individuals in his employment affected thereby in the manner provided in section 97-120 and giving the notice prescribed by section 97-121.

Every employer who elects to provide coverage under the terms of this section shall be bound by such election until January 1 of the next succeeding year and for terms of one year thereafter. Any such employer may elect to discontinue such coverage for personal injuries occurring after the expiration of any such calendar year by filing notice of such election with the director at least sixty days prior to the expiration of any such calendar year and at the same time posting notices to that effect conspicuously in such places of work that they can reasonably be expected to come to the attention of all individuals affected thereby.

Sec. 97-5. Exclusiveness of right to compensation. The rights and remedies herein granted to an employee or his dependents on account of a work injury suffered by him shall exclude all other liability of the employer to the employee, his legal representative, spouse, dependents, next of kin or any one else entitled to recover damages from such employer, at common law or otherwise, on account of the injury.

Sec. 97-6. Territorial applicability. The provisions of this chapter

shall be applicable to all work injuries sustained by employees within the territorial boundaries of the State.

If an employee who has been hired in the State suffers work injury, he shall be entitled to compensation under the provisions of this chapter even though such injury was sustained without the State. Such right to compensation shall exclude all other liability of the employer for damages as provided in section 97-5. All contracts of hire of employees made within the State shall be deemed to include an agreement to that effect.

If an employee who has been hired without the State is injured while engaged in his employer's business, and is entitled to compensation for the injury under the law of the state or territory where he was hired, he shall be entitled to enforce against his employer his rights in this State if his rights are such that they can reasonably be determined and dealt with by the director, the appellate board and the court in this State.

Sec. 97-7. Interstate and foreign commerce and maritime employment. To the extent permissible under the constitution and the laws of the United States, the provisions of this chapter shall apply to employees and employers engaged in interstate and foreign commerce and to employees in maritime employment and their employers not otherwise provided for by the laws of the United States.

Sec. 97-8. Liability of third person. When a work injury for which compensation is payable under this chapter has been sustained under circumstances creating in some person other than the employer or another employee of such employer acting in the course of his employment a legal liability to pay damages on account thereof, the injured employee or his dependents (hereinafter referred to collectively as the employee) may claim compensation under this chapter and recover damages from such third person.

If the employee commences an action against such third person he shall without delay give the employer written notice of the action and the name and location of the court in which the action is brought by personal service or registered mail. The employer may, at any time before trial on the facts, join as party plaintiff.

If within nine months after the date of the personal injury the employee has not commenced an action against such third person, the employer, having paid or being liable for compensation under this chapter, shall be subrogated to the rights of the injured employee. Except as limited by chapter 241, the employee may at any time commence an action or join in any action commenced by the employer against such third person.

No release or settlement of any claim or action under this section is valid without the written consent of both employer and employee. The entire amount of such settlement is subject to the employer's right of reimbursement for his compensation payments under this chapter and his expenses and costs of action.

If the employer has not joined in the action, the court on his application shall allow, as a first lien against the entire amount of any judgment for damages recovered by the employee, the amount of the employer's compensation payments under this chapter. After reimbursement for his compensation payments the employer shall be relieved

from the obligation to make further compensation payments to the employee under this chapter up to the entire amount of the balance of the judgment, if satisfied, without any deduction.

The amount of compensation paid by the employer or the amount of compensation to which the injured employee is entitled shall not be admissible in evidence in any action brought to recover damages.

Another employee of the same employer shall not be relieved of his liability as a third party, if the personal injury is caused by his wilful and wanton misconduct.

Sec. 97-9. Contracting out forbidden. No contract, rule, regulation or device whatsoever shall operate to relieve the employer in whole or in part from any liability created by this chapter.

PART II. COMPENSATION

A. Medical and Rehabilitation Benefits

Sec. 97-20. Medical services and supplies. Immediately after a work injury sustained by an employee and so long as reasonably needed the employer shall furnish to the employee all medical, surgical, and hospital services and supplies as the nature of the injury requires.

Whenever medical care is needed, the injured employee may select any physician or surgeon who is practicing on the island where the injury was incurred to render such care. If the services of a specialist are indicated, the employee may select any such physician or surgeon practicing in the State. The director may authorize the selection of a specialist practicing outside the State where no comparable medical attendance within the State is available. Upon procuring the services of such physician or surgeon, the injured employee shall give proper notice of his selection to the employer within a reasonable time after the beginning of the treatment. If for any reason during the period when medical care is needed, the employee wishes to change to another physician or surgeon, he may do so in accordance with rules prescribed by the director. If the employee is unable to select a physician or surgeon and the emergency nature of the injury requires immediate medical attendance, or if he does not desire to select a physician or surgeon and so advises the employer, the employer shall select the physician or surgeon. Such selection, however, shall not deprive the employee of his right of subsequently selecting a physician or surgeon for continuance of needed medical care.

The liability of the employer for medical, surgical, and hospital services and supplies required shall be limited to such charges as prevail in the community in which the physician or surgeon selected has his office for similar treatment of injured persons of a like standard of living, when the treatment is paid for by the patient. The director shall from time to time make determinations of such charges and shall promulgate fee schedules based upon such determinations. The liability of the employer may exceed the amounts set forth in such fee schedule only under conditions prescribed by the director.

If it appears to the director that the injured employee has wilfully refused to accept the services of a competent physician or surgeon selected as provided in this section, or has wilfully obstructed such physician or surgeon or medical, surgical or hospital services or sup-

plies, the director may in his discretion consider such refusal or obstruction on the part of the injured employee to be a waiver by him in whole or in part of his right to medical, surgical and hospital services and supplies, and may in his discretion suspend the weekly benefit payments, if any, to which such employee is entitled so long as such refusal or obstruction continues.

Sec. 97-21. Artificial member and other aids. Where an injury results in the amputation of an arm, hand, leg or foot, or the enucleation of an eye, or the loss of natural or artificial teeth, or the loss of vision which may be partially or wholly corrected by the use of lenses, the employer shall furnish an artificial member to take the place of each member lost and, in the case of correctible loss of vision, a set of suitable glasses. Where it is certified to be necessary by a licensed physician or surgeon chosen by agreement of the employer and the employee, the employer shall furnish such other aids, appliances, apparatus and supplies as are required to cure or relieve the effects of the injury. When a licensed physician or surgeon, chosen as above, certifies that it is necessitated by ordinary wear, the employer shall repair or replace such artificial members, aids, appliances or apparatus.

Where an employee suffers the loss of or damage to any artificial member, aid, appliance or apparatus by accident arising out of and in the course of his employment, the employer shall repair or replace such member, aid, appliance or apparatus whether or not the same was furnished initially by the employer.

The liability of the employer for artificial members, aids, appliances, apparatus or supplies as is imposed by this section shall be limited to such charges as prevail in the same community for similar equipment of a person of a like standard of living when the equipment is paid for by that person.

Sec. 97-22. Services of attendant. When the director finds that the service of an attendant for the injured employee is constantly necessary he may award a sum of not more than \$150 a month, as the director may deem necessary, for the procurement of such service.

Sec. 97-23. Medical rehabilitation. The medical services and supplies to which an employee suffering a work injury is entitled shall include such services, aids, appliances, apparatus and supplies as are reasonably needed for his greatest possible medical rehabilitation. The director, on competent medical advice, shall determine the need for or sufficiency of medical rehabilitation services furnished or to be furnished to the employee and may order any needed change of physician, hospital or rehabilitation facility.

Sec. 97-24. Vocational rehabilitation. (a) The director shall refer employees who have become permanently disabled as a result of work injuries and who in his opinion can be physically and vocationally rehabilitated to the state agency responsible for administering the vocational rehabilitation program which agency shall provide such physical and vocational rehabilitation services as are feasible under the provisions of chapter 42.

(b) When the agency responsible for administering the vocational rehabilitation program has provided all feasible physical and vocational rehabilitation to such an injured employee, or has determined, with the

approval of the director, that physical and vocational rehabilitation are not possible or feasible, it shall certify such determination to the director.

(c) The eligibility of any injured employee to receive other benefits under this chapter shall in no way be affected by his entrance upon a course of physical and vocational rehabilitation as herein provided, but, upon demonstrating cooperativeness and satisfactory progress and upon the certification to the director by the agency responsible for administering the vocational rehabilitation program, he may be paid for (1) his actual and necessary travel expenses from his place of residence to the place of training and return, (2) his living expenses while in training away from home in an amount not in excess of \$35 per week, and (3) his expenses for tuition, books and necessary equipment in training. The director may make expenditures from the special compensation fund for such expenses and for any additional expenses for evaluation and instruction, but no more than \$5,000 shall be paid to or on behalf of any one disabled person; provided, that the cost of vocational rehabilitation services and benefits shall be paid for first with federal or state funds, if and when available, and if no such funds are available, then and in such event, may be paid from the special compensation fund.

B. Income and Indemnity Benefits

I. FOR DISABILITY

Sec. 97-30. Total disability. (a) Permanent total disability. Where a work injury causes permanent total disability the employer shall pay the injured employee a weekly benefit equal to sixty-six and two-thirds per cent of his average weekly wages, but no more than \$75 nor less than \$18 a week.

In the case of the following injuries, the disability caused thereby shall be deemed permanent and total:

- (1) The permanent and total loss of sight in both eyes;
- (2) The loss of both feet at or above the ankle;
- (3) The loss of both hands at or above the wrist;
- (4) The loss of one hand and one foot;
- (5) An injury to the spine resulting in permanent and complete paralysis of both legs or both arms or one leg and one arm;
- (6) An injury to the skull resulting in incurable imbecility or insanity.

In all other cases the permanency and totality of the disability shall be determined on the facts. No adjudication of permanent total disability shall be made until after two weeks from the date of the injury.

After the employer has paid the maximum amount of weekly benefit payments specified in subsection (c), the disabled employee shall receive further compensation at the same rate from the special compensation fund.

(b) Temporary total disability. Where a work injury causes total disability not determined to be permanent in character, the employer, for the duration of such disability but not including the first two days thereof shall pay the injured employee a weekly benefit at the rate of sixty-six and two-thirds per cent of his average weekly wages, but not more than \$75 nor less than \$18 a week, or, if his average weekly wages are less than \$18 a week, at the rate of one hundred per cent of his

average weekly wages. In case the total disability exceeds seven days, the compensation shall be allowed from the date of such disability.

(c) Maximum benefits chargeable to employer. The aggregate liability of the employer for weekly benefit payments under both preceding subsections shall not exceed the sum of \$25,000.

Sec. 97-31. Partial disability. (a) Permanent partial disability. Where a work injury causes permanent partial disability the employer shall pay the injured worker a weekly benefit at the rate of sixty-six and two-thirds per cent of his average weekly wages, but not more than \$112.50 nor less than \$35 a week, for the period named in the schedule as follows:

Thumb. For the loss of thumb, seventy-five weeks;

First finger. For the loss of a first finger, commonly called index finger, forty-six weeks;

Second finger. For the loss of a second finger, commonly called the middle finger, thirty weeks;

Third finger. For the loss of a third finger, commonly called the ring finger, twenty-five weeks;

Fourth finger. For the loss of a fourth finger, commonly called the little finger, fifteen weeks;

Phalanx of thumb or finger. Loss of the first phalanx of the thumb shall be equal to the loss of three-fourths of the thumb, and compensation shall be three-fourths of the amount above specified for the loss of the thumb. The loss of the first phalanx of any finger shall be equal to the loss of one-half of the finger, and compensation shall be one-half of the amount above specified for loss of the finger. The loss of more than one phalanx of the thumb or any finger shall be considered as loss of the entire thumb or finger;

Great toe. For the loss of a great toe, thirty-eight weeks;

Other toes. For the loss of one of the toes other than the great toe, sixteen weeks;

Phalanx of toe. Loss of the first phalanx of any toe shall be equal to the loss of one-half of the toe; and the compensation shall be one-half of the amount specified for the loss of the toe. The loss of more than one phalanx of any toe shall be considered as the loss of the entire toe;

Hand. For the loss of a hand, two hundred and forty-four weeks;

Arm. For the loss of an arm, three hundred and twelve weeks;

Foot. For the loss of a foot, two hundred and five weeks;

Leg. For the loss of a leg, two hundred and eighty-eight weeks;

Eye. For the loss of an eye by enucleation, one hundred and sixty weeks. For loss of vision in an eye, one hundred and forty weeks. Loss of binocular vision or of eighty per cent of the vision of an eye shall be considered loss of vision of the eye.

Ear. For the permanent and complete loss of hearing in both ears, two hundred weeks. For the permanent and complete loss of hearing in one ear, fifty-two weeks. For the loss of both ears, eighty weeks. For the loss of one ear, forty weeks.

Loss of use. Permanent loss of the use of a hand, arm, foot, leg, thumb, finger, toe or phalanx shall be equal to and compensated as the loss of a hand, arm, foot, leg, thumb, finger, toe or phalanx.

Partial loss or loss of use of member named in schedule. Where a work injury causes permanent partial disability resulting from partial loss or partial loss of use of a member named in this schedule and where such disability is not otherwise compensated in this schedule, compensation shall be paid for a period which stands in the same proportion to the period specified for the total loss or loss of use of such member as the partial loss or loss of use of that member stands to the total loss or loss of use thereof.

More than one finger or toe of same hand or foot. In cases of permanent partial disability resulting from simultaneous injury to the thumb and one or more fingers of one hand, or to two or more fingers of one hand, or to the great toe and one or more toes other than the great toe of one foot, or to two or more toes other than the great toe of one foot, the disability may be rated as a partial loss or loss of use of the hand or the foot and the period of benefit payments shall be measured accordingly. In no case shall the compensation for loss or loss of use of more than one finger or toe of the same hand or foot exceed the amount provided in this schedule for the loss of a hand or foot.

Amputation. Amputation between the elbow and the wrist shall be rated as the equivalent of the loss of a hand. Amputation between the knee and the ankle shall be rated as the equivalent of the loss of a foot. Amputation at or above the elbow shall be rated as the loss of an arm. Amputation at or above the knee shall be rated as the loss of a leg.

Disfigurement. In cases of personal injury resulting in disfigurement the director may, in his discretion, award such compensation as he deems proper and equitable in view of such disfigurement but not to exceed \$7,000. Disfigurement is separate from other permanent partial disability and includes scarring and other disfiguring consequences caused by medical, surgical and hospital treatment of the employee.

Other cases. In all other cases of permanent partial disability resulting from the loss or loss of use of a part of the body or from the impairment of any physical function, weekly benefits shall be paid at the rate and subject to the limitations specified in this subsection for a period which bears the same relation to a period named in the schedule as the disability sustained bears to a comparable disability named in the schedule. In cases in which the permanent partial disability must be rated as a percentage of total disability the maximum compensation shall be computed on the basis of the corresponding percentage of \$35,100.

Unconditional nature and time of commencement of payment. Compensation for permanent partial disability shall be paid regardless of the earnings of the disabled employee subsequent to the injury. Payments shall not commence until after termination of any temporary total disability that may be caused by the injury.

(b) Temporary partial disability. Where a work injury causes partial disability, not determined to be permanent, which diminishes the employee's capacity for work, the employer, beginning with the first day of such disability and during the continuance thereof, shall pay the injured employee weekly benefits equal to sixty-six and two-thirds per cent of the difference between his average weekly wages before the injury and the weekly wages he is capable of earning thereafter, but not more than \$50 a week.

(c) Provisions common to permanent and temporary partial disability; maximum benefits. No determination of partial disability shall be made until two weeks from the date of the injury. The aggregate liability of an employer for benefits under this section and section 97-30(b) shall not exceed \$25,000 except that in cases where the application of subsection (a) of this section by itself produces a higher amount of compensation, that amount shall constitute his total liability for weekly benefits under these sections.

Sec. 97-32. Subsequent injuries which would increase disability. If an employee receives an injury which of itself would cause a permanent partial disability but which, combined with a previous disability, results in a greater permanent partial disability or in permanent total disability, the employer shall pay compensation only for such disability as would have been caused by the injury without the previous disability. The employee shall be entitled to full compensation for his actual permanent partial or total disability, and, after receipt of the compensation payable by the employer, weekly payments of the balance of the compensation to which the employee is entitled shall be made out of the special compensation fund by orders of the director.

Sec. 97-33. Payment after death. Where an employee is entitled to weekly income and indemnity benefits for permanent total or permanent partial disability and dies from any cause other than the compensable work injury, payment of any unpaid balance of such benefits to the extent that the employer is liable therefor, but limiting the extent of his total liability for weekly income and indemnity benefits in such case to \$25,000, shall be made to his dependents specified in section 97-41, as follows:

(a) To a dependent widow or widower, for the use of the widow or widower and the dependent children, if any. The director may from time to time apportion such compensation among the widow or widower and any dependent children.

(b) If there be no dependent widow or widower, but one or more dependent children, then to such child or children to be divided equally among them if more than one.

(c) If there be no dependent widow, widower, or child, but there be a dependent parent, then to such parent, or if both parents be dependent, to both of them, to be divided equally between them; or if there be no such parents, but a dependent grandparent, then to such grandparent, or if more than one, then to all of them to be divided equally among them.

(d) If there be no dependent widow, widower, child, parent, or grandparent, but there be a dependent grandchild, brother, or sister, then to such dependent, or if more than one, then to all of them to be divided equally among them.

(e) If there be no such dependents, the unpaid balance of the compensation shall be paid in a lump sum into the special compensation fund.

II. FOR DEATH

Sec. 97-40. Entitlement to and rate of compensation. (a) Funeral and burial allowance. Where a work injury causes death, the employer shall pay funeral and burial expenses not to exceed \$1,000 to the mortu-

cian selected by the family or next of kin of the deceased or in the absence of such family or next of kin, by the employer.

(b) Weekly benefits for dependents. In addition, the employer shall pay weekly benefits to the deceased's dependents at the percentages of the deceased's average weekly wages specified below, taking into account not more than \$112.50 and not less than \$30 per week:

To the dependent widow or widower, if there be no dependent children, fifty per cent.

To the dependent widow or widower, if there be one or more dependent children of the deceased, sixty-six and two-thirds per cent. The compensation to the widow or widower shall be for the use and benefit of the widow or widower and of the dependent children, and the director may from time to time apportion the compensation between them in such way as he deems best.

If there be no dependent widow or widower, but a dependent child, then to such child forty per cent, and if there be more than one dependent child, then to such children in equal parts sixty-six and two-thirds per cent.

If there be no dependent widow, widower or child, but there be a dependent parent, then to the parent, if wholly dependent fifty per cent, or if partially dependent twenty-five per cent; if both parents be dependent, then one-half of the foregoing compensation to each of them; if there be no dependent parent, but one or more dependent grandparent, then to each of them the same compensation as to a parent.

If there be no dependent widow, widower, child, parent or grandparent, but there be a dependent grandchild, brother or sister, or two or more of them, then to such dependents thirty-five per cent for one dependent, increased by fifteen per cent for each additional dependent, to be divided equally among such dependents if more than one.

(c) Maximum weekly amounts. The sum of all weekly benefits payable to the dependents of the deceased employee shall not exceed sixty-six and two-thirds per cent of his average weekly wages, computed by observing the limits specified in subsection (b). If necessary, the individual benefits shall be proportionally reduced.

(d) Liability to special compensation fund in the absence of dependents. If there be no dependents who are entitled to benefits under this section the employer shall pay the sum of \$2,000 for any one death into the special compensation fund, pursuant to an order made by the director. The employer, pursuant to an order made by the director, shall pay any remaining balance into the special compensation fund, if the weekly benefits to which dependents are entitled terminate without totalling the sum of \$2,000.

Sec. 97-41. Dependents. (a) The following persons, and no others, shall be deemed dependents and entitled to income and indemnity benefits under this chapter:

A child who is (1) unmarried and either under eighteen years or incapable of self-support, regardless of whether or not actually dependent upon deceased or (2) married and under eighteen years, if actually dependent upon deceased;

The widow, if either living with the deceased at the time of the injury or actually dependent upon him;

The widower, if incapable of self-support and actually dependent upon deceased;

A parent or grandparent, if actually dependent upon the deceased;

A grandchild, brother or sister, if (1) under eighteen years or incapable of self-support and (2) actually and wholly dependent upon the deceased.

(b) A person shall be deemed to be actually dependent upon deceased, if he or she contributed all or a substantial portion of the living expenses of such person at the time of the injury.

(c) Alien dependents not residing in the United States at the time of the injury or leaving the United States subsequently shall be limited to the dependent widow and children of the deceased or, in the absence of such widow or child, to his dependent parent or parents. The aggregate amount of weekly benefit payments to alien dependents not residing in the United States shall not exceed \$10,000 for any one death and such dependents shall maintain annual proof of such dependency as required by the director.

Sec. 97-42. Duration of dependents' weekly benefits. (a) The weekly benefits to dependents shall continue:

To a widow, until death or remarriage, with two years' compensation in one sum upon remarriage.

To a widower, until termination of his incapability of self-support or until remarriage.

To or for a child, (1) so long as unmarried, until attainment of the age of eighteen or until termination of his incapability of self-support, or (2) until marriage; except that in the case of a married child under eighteen weekly benefits shall continue during the period of actual dependency until attainment of the age of eighteen.

To a parent or grandparent, for the duration, whether continuous or not, of such actual dependency, provided that the amount of the weekly benefits shall at no time exceed the amount payable at the time of death.

To or for a grandchild, brother or sister, for the period in which he or she remains actually and wholly dependent until attainment of the age of eighteen or termination of the incapability of self-support.

(b) The aggregate weekly benefits payable on account of any one death shall not exceed \$25,000, but this limitation shall not apply with respect to benefits to a widow who is physically or mentally incapable of self-support and unmarried as long as she remains in that condition and to benefits to a child except in the case of an unmarried child over eighteen incapable of self-support as long as he or she is otherwise entitled to such compensation.

(c) Upon the cessation under this section of compensation to or for any person, the benefits of the remaining dependents in the same class for any further period during which they are entitled to weekly payments shall be in the amounts which they would have received, had they been the only dependents entitled to benefits at the time of the employee's death.

Sec. 97-43. Effect of erroneous payment; insanity of beneficiary. If an employer in good faith pays weekly benefits to a dependent who is inferior in right to another dependent or with whom another dependent

is entitled to share, such payment shall discharge the employer, unless and until such other dependent notifies the employer of his claim. In case the employer is in doubt as to the respective rights of rival claimants, he may institute proceedings before the director for determination of the proper beneficiary.

Benefits to a person who is insane shall be paid to his guardian.

III. PROVISIONS COMMON TO BENEFITS FOR DISABILITY AND DEATH

Sec. 97-50. Computation of average weekly wages. Average weekly wages shall be computed in such a manner that the resulting amount represents most fairly, in the light of his employment pattern and the duration of his disability, the injured employee's average weekly wages from all covered employment at the time of the personal injury.

1. Where appropriate and feasible such computation shall be made on the basis of the injured employee's earnings from covered employment during the twelve months preceding his personal injury; but if during that period, the employee, because of sickness or similar personal circumstances was unable to engage in employment for one or more weeks then the number of such weeks shall not be included in the computation of the average weekly wage.

2. Where an employee at the time of the injury was employed at higher wages than during any other period of the preceding twelve months then his average weekly wages shall be computed exclusively on the basis of such higher wages.

3. Where, by reason of the shortness of the time during which the employee has been in the employment or the casual nature or terms of the employment, it is not feasible to compute the average weekly wages on the basis of the injured employee's own earnings from such employment, regard may be had to the average weekly wages which during the twelve months preceding the injury was being earned by an employee in comparable employment.

4. In no case shall the total average weekly wages of any employee be computed as a lower amount than the average weekly wages earned at the time of the injury by an employee in comparable employment engaged as a full-time employee on an annual basis in the type of employment in which the injury occurred.

5. Where an employee is engaged in concurrent full-time and part-time employment covered by this Act and sustains a personal injury in his part-time employment under the conditions specified in section 97-3, the liability of the employer shall be limited to such benefits as would be payable to an employee in comparable employment, engaged as full-time employee on an annual basis in the type of employment in which the injury occurred. The balance of his benefits shall be paid by the special compensation fund.

6. If an employee, while under twenty-five years of age, sustains a work injury causing permanent disability or death, his average weekly wages shall be computed on the basis of the wages which he would have earned in his employment had he been twenty-five years of age.

7. The director is authorized to issue rules for the determination of the average weekly wages in particular classes of cases, consistent with the principles laid down in the first paragraph of this section.

Sec. 97-51. Credit for voluntary payments and supplies in kind. (a) Any payments made by the employer to the injured employee during his disability or to his dependents which by the terms of this chapter were not payable when made, may, subject to the approval of the director, be deducted from the amount payable as compensation; provided that the deduction shall be made by shortening the period during which the compensation must be paid, or by reducing the total amount for which the employer is liable and not the amount of weekly benefits.

(b) If the employer continues to furnish to the injured employee, during his disability, or to his dependents, during their entitlement to weekly benefits, board, lodging, fuel and other advantages the value of which has been included in the calculation of wages as provided in section 97-1, the furnishing of such advantages may be considered as payment in kind of that portion of the compensation which is based on such remuneration in kind; but if at any time during the compensation period the employer ceases to furnish such advantages, no further deduction of the value of such advantages as payment in kind from the compensation shall be permissible.

Sec. 97-52. Nonweekly periodic payments. The director, upon the application of either party, may, in his discretion, having due regard for the welfare of the employee or his dependents and the convenience of the employer, authorize compensation to be paid monthly or quarterly instead of weekly.

Sec. 97-53. Commutation of periodic payments. Upon application of the disabled employee, his dependents or the employer, the director may order that the periodic benefit payments be commuted to one or more lump sum payments equal to the present value at the time when the lump sum payments are due of the future benefit payments, computed at four per cent true discount compounded annually, if he finds that such commutation is in the best interest of the employee or his dependents and does not impose undue hardship upon the employer.

The probability of the death of the disabled employee or of a dependent entitled to benefits before the expiration of the period during which he is entitled to receive such payments and the probability of the remarriage of the widow shall be determined in accordance with the latest United States Life Tables and the American Remarriage Tables, respectively, as adjusted and corrected on the basis of the most recent available experience, or in accordance with any other appropriate actuarial tables selected by the director, upon advice of the chief actuary of the Social Security Administration. The probability of the happening of any other contingency affecting the amount or duration of the benefit payments shall not be considered.

Payment of such lump sums shall discharge the employer of his liability for the corresponding income and indemnity benefits.

Sec. 97-54. Trustee in case of lump sum payments. Whenever for any reason the director deems it advisable, any lump sum which is payable as provided in the preceding section shall be paid to a suitable individual or corporation appointed by the circuit judge in whose jurisdiction the work injury occurred as trustee to administer or apply the same for the benefit of the disabled worker or the dependent entitled

thereto in the manner determined by the director. The receipt of the trustee for the amount so paid shall discharge the employer of his liability.

Sec. 97-55. Payment from the special compensation fund in case of default. Where an injured employee or his dependents fail to receive prompt and proper compensation and this default is caused through no fault of the employee, the director shall pay the full amount of all compensation awards and benefits from the special compensation fund to such employee or dependent.

The employer, upon order of the director, shall reimburse the special compensation fund for the sums paid therefrom under this section, and the fund, represented by the director, shall be subrogated to all the rights and remedies of the individual receiving such payments.

Sec. 97-56. Legal status of right to compensation and compensation payments. (a) The right to compensation under this chapter shall not be assignable, and the right to compensation and compensation payments received shall be exempt from the reach of creditors.

(b) The right to compensation under this chapter shall have the same status as a lien or the same priority for the whole thereof with respect to the assets of the employer as are accorded by law to any unpaid wages for labor.

PART III. ADMINISTRATION

Sec. 97-70. Duties and powers of the director in general. The director shall be in charge of all matters of administration pertaining to the operation and application of this chapter. He shall have and exercise all powers necessary to facilitate or promote the efficient execution of the provisions of this chapter and, in particular, shall supervise, and take all measures necessary for, the prompt and proper payment of compensation.

If an injury which may be compensable under this chapter is reported to, or comes to the notice of, the department, the director and his staff shall investigate such injury to the extent as may appear necessary. The director shall cause to be printed and furnished free of charge to any employer or employee such blank forms as he deems requisite to the performance of his functions. The blanks shall also be supplied by the director to the clerks of the respective circuit courts, who shall furnish the same to any employer or employee free of charge pursuant to any rules issued by the director.

Sec. 97-71. Rule-making powers. In conformity with and subject to the provisions of chapter 6C, the director shall make rules, not inconsistent with the provisions of this chapter, which he deems necessary for or conducive to its proper application and enforcement.

Sec. 97-72. Original jurisdiction over controversies. Unless otherwise provided, the director shall have original jurisdiction over all controversies and disputes arising under this chapter. The decisions of the director shall be enforceable by the circuit court as provided in section 97-100. There shall be a right of appeal from the decisions of the director to the appellate board and thence to the circuit court as provided in sections 97-96 and 97-97, but in no case shall an appeal operate as a supersedeas or stay unless the director or the appellate board or the circuit court so orders.

Sec. 97-73. Appeals to labor and industrial relations appeal board.

The labor and industrial relations appeal board provided for by chapter 88 and section 14A-26 shall exercise all powers and functions conferred by this chapter on the appellate board with respect to any work injury sustained in the city and county of Honolulu or sustained by an employee of a resident of such city and county while the employee is without the State or on a vessel operated by a resident of such city and county.

Sec. 97-74. Industrial accident boards in Hawaii, Maui and Kauai, composition, functions, remuneration. There shall be a board to be known as the industrial accident board in each of the counties of Hawaii, Maui and Kauai, consisting of three members to be appointed and removable by the governor in the manner prescribed in section 14A-3. One member of each board shall be designated by the governor as chairman.

Each such board shall exercise all powers and functions conferred by this chapter on the appellate board with respect to any work injury occurring within the county for which it is appointed or work injury sustained by an employee of a resident of such county while the employee is without the State or on a vessel operated by a resident of such county. The board shall have no other functions or duties.

The members of such boards shall be entitled to the same remuneration and expenses as the members of the labor and industrial relations appeal board which, together with the necessary administrative expenses of such boards, shall be paid as provided in section 88-10.

Sec. 97-75. Majority control. Any decision or order of the appellate board to be made under this chapter requires the assenting vote of a majority of the members of the board.

Sec. 97-76. Assistance of county attorney. The county attorney of any county wherein a hearing is held or an investigation is made under this chapter on request shall act as attorney for the director or the appellate board whenever requested so to act by the director or the board.

Sec. 97-77. Agreement or compromise. No agreement or compromise in regard to a claim for compensation shall be valid unless it is approved by decision of the director as conforming to the provisions of this chapter and made part of such decision.

No compromise in regard to a claim for compensation shall be effected and approved in any appeal until after the director has been notified of the proposed terms thereof and has had an opportunity to be heard relative thereto.

Sec. 97-78. Medical examination by employer's physician. After an injury and during the period of disability, the employee, whenever ordered by the director, shall submit himself to examination, at reasonable times and places, by a duly qualified physician or surgeon designated and paid by the employer. The employee shall have the right to have a physician or surgeon designated and paid by himself present at the examination, which right, however, shall not be construed to deny to the employer's physician the right to visit the injured employee at all reasonable times and under all reasonable conditions during total disability.

If an employee refuses to submit himself to, or in any way obstructs, such examination his right to claim compensation for the work injury shall be suspended until the refusal or obstruction ceases and no compensation shall be payable for the period during which the refusal or obstruction continues.

In cases where the employer is dissatisfied with the progress of the case or where major and elective surgery, or either, is contemplated, he may appoint a physician or surgeon of his choice who shall examine the injured employee and make a report to the employer. If the employer remains dissatisfied this report may be forwarded to the director.

Sec. 97-79. Examination by impartial physician. The director may appoint a duly qualified impartial physician to examine the injured employee and to report. The fees for such examination shall be paid from the funds appropriated by the legislature for the use of the department.

Sec. 97-90. Notice of injury; waiver. No proceedings for compensation under this chapter shall be maintained unless written notice of the injury has been given to the employer as soon as practicable after the happening thereof. Such notice may be given by the injured employee or by some other person on his behalf. Failure to give such notice shall not bar a claim under this chapter if (1) the employer or his agent in charge of the work in the place where the injury was sustained had knowledge of the injury; or (2) medical, surgical or hospital service and supplies have been furnished to the injured employee by the employer; or (3) for some satisfactory reason such notice could not be given and the employer has not been prejudiced by such failure.

Unless the employer is prejudiced thereby notice of injury shall be deemed to have been waived by the employer if objection to the failure to give such notice is not raised at the first hearing on a claim in respect of such injury of which the employer is given reasonable notice and opportunity to be heard.

Sec. 97-91. Claim for compensation; limitation of time. The right to compensation under this chapter shall be barred unless a written claim therefor is made to the director (1) within two years after the date at which the effects of the injury for which the employee is entitled to compensation have become manifest, and (2) within five years after the date of the accident or occurrence which caused the injury.

The foregoing limitations of time shall not apply to a claim for injury caused by compressed air or due to occupational exposure to, or contact with, arsenic, benzol, beryllium, zirconium, cadmium, chrome, lead or fluorine or to exposure to X-rays, radium, ionizing radiation or radioactive substances, but such claim shall be barred unless it is made to the director, in writing, within two years after knowledge that the injury was proximately caused by, or resulted from the nature of, the employment. The claim may be made by the injured employee or his dependents or by some other person on his or their behalf. The claim shall state in ordinary language the time, place, nature and cause of the injury.

Sec. 97-92. When claim within specified time is unnecessary or waived. (a) If payments of income and indemnity benefits have been made voluntarily by the employer, the making of a claim within the

time prescribed in section 97-91 shall not be required. No such payments shall be deemed to have been made if the payments are in the nature of a gift and not intended as compensation, or are made by welfare or benefit organizations operating under direction or control of the employer, or are for medical, surgical or hospital services and supplies, or are made as wages during periods of partial or total disability if the employer notifies the director at the time in writing that such payments of wages are not in lieu of and shall not be considered as compensation.

(b) Unless the employer is prejudiced thereby, failure to make a claim within the time prescribed in section 97-91 shall not bar a claim to compensation if objection to such failure is not raised at the first hearing on the claim of which the employer is given reasonable notice and opportunity to be heard.

Sec. 97-93. Limitation of time with respect to minors and mentally incompetent. No limitation of time provided in this chapter shall run as against any person who is mentally incompetent or a minor dependent so long as he has no guardian or next friend.

Sec. 97-94. Presumptions. In any proceeding for the enforcement of a claim for compensation under this chapter it shall be presumed, in the absence of substantial evidence to the contrary:

- (1) that the claim is for a covered work injury;
- (2) that sufficient notice of such injury has been given;
- (3) that the injury was not caused by the intoxication of the injured employee; and

(4) that the injury was not caused by the wilful intention of the injured employee to injure himself or another.

Sec. 97-95. Proceedings upon claim. If a claim for compensation is made the director shall make such further investigation as he deems necessary and render a decision awarding or denying compensation, stating his findings of fact and conclusions of law. The decision shall be filed with the record of the proceedings and a copy of the decision shall be sent immediately to each party.

Sec. 97-96. Appeals. A decision of the director shall be final and conclusive between the parties, except as provided in section 97-98, unless within thirty days after a copy has been sent to each party, either party appeals therefrom by filing a written notice of appeal with the director or his county representative.

In all cases of appeal the appellate board shall be notified of the pendency thereof by the director and no compromise shall be effected in the appeal except in compliance with the provisions of section 97-77.

The appellate board shall hold a full hearing de novo on the appeal and make its decision in writing, and such decision shall be filed with the records of the proceedings. A copy of the decision shall be sent to each party.

The appellate board may certify questions of law to the supreme court for determination.

Sec. 97-97. Appeals from appellate board. The decision of the appellate board upon any appeal to it shall be final and conclusive between the parties except as provided in section 97-98, unless within thirty days after service of a certified copy of the decision, either party appeals to the circuit court in the county wherein the injury was sus-

tained or wherein the employer resides if the injury was sustained while the employee was without the State or on a vessel operated by a resident of the county.

In all cases of such appeal the director and the appellate board shall be notified of the pendency thereof by the clerk of the court in which the proceedings are pending and no compromise shall be effected except in compliance with the provisions of section 97-77.

In all appeal cases in which a trial by jury is had the cause shall be submitted to the jury on questions of fact stated to them by the court pursuant to section 231-27. The right of trial by jury shall be deemed to be waived unless claimed within ten days from the date the appeal is entered. The court may, by proper rules, prescribe the procedure to be followed in the case of such appeals, and shall give such appeals precedence over all other civil cases.

Sec. 97-98. Reopening of cases; continuing jurisdiction of director.

(a) In the absence of an appeal and within thirty days after a copy of the decision has been sent to each party, the director may upon his own motion or upon the application of any party reopen a case to permit the introduction of newly discovered evidence, and may render a revised decision.

(b) The director may at any time, either of his own motion or upon the application of any party, reopen any case on the ground that fraud has been practiced on the director or on any party and render such decision as is proper under the circumstances.

(c) On the application of any party in interest, supported by a showing of substantial evidence, on the ground of a change in, or of a mistake in a determination of fact related to, the physical condition of the injured employee, the director may, at any time prior to ten years after date of the last payment of compensation, whether or not a decision awarding compensation has been issued, or at any time prior to ten years after the rejection of a claim, review a compensation case and issue a decision which may award, terminate, continue, reinstate, increase or decrease compensation. No compensation case may be reviewed oftener than once in six months, and no case in which a claim has been rejected shall be reviewed more than once if on such review the claim is again rejected. Such decision shall not affect any compensation previously paid, except that an increase of the compensation may be made effective from the date of the injury, and if any part of the compensation due or to become due is unpaid, a decrease of the compensation may be made effective from the date of the injury, and any payment made prior thereto in excess of such decreased compensation shall be deducted from any unpaid compensation in such manner and by such method as may be determined by the director. In the event any such decision increases the compensation in a case where the employee has received damages from a third party pursuant to section 97-8 in excess of compensation previously awarded, the amount of such excess shall constitute a pro tanto satisfaction of the amount of the additional compensation awarded. This paragraph shall not apply when the employer's liability for compensation has been discharged in whole or in part by the payment of a lump sum in accordance with section 97-53.

Sec. 97-99. Conforming prior decisions on appeal. Upon the filing

of a certified copy of a decision of the director rendered pursuant to section 97-98 with the appellate board or the circuit court, the board or court shall revoke or modify its prior decision so that it will conform to the decision of the director.

Sec. 97-100. Enforcement of decisions awarding compensation; judgment rendered thereon. (a) Any party in interest may file in the circuit court in the jurisdiction of which the injury occurred, a certified copy of (1) a decision of the director awarding compensation, from which no appeal has been taken within the time allowed therefor; or (2) a decision of the director awarding compensation, from which decision an appeal has been taken but as to which decision no order has been made by the director or the appellate board or the court that the appeal therefrom shall operate as a supersedeas or stay; or (3) a decision of the appellate board awarding compensation, from which no appeal has been taken within the time allowed therefor; or (4) a decision of the appellate board awarding compensation, from which an appeal has been taken but as to which decision no order has been made by the appellate board or the court that the appeal therefrom shall operate as a supersedeas or stay. The court shall render a judgment in accordance with such decision and notify the parties thereof. The judgment shall have the same effect, and all proceedings in relation thereto shall thereafter be the same, as though the judgment had been rendered in an action duly heard and determined by the court, except that there shall be no appeal therefrom.

(b) In all cases where an appeal from the decision concerned has been taken within the time provided therefor, but where no order has been made by the director or the appellate board or the court that the appeal shall operate as a supersedeas or stay, the decree or judgment of the circuit court shall provide that the decree or judgment shall become void in the event that the decision or award of the director or appellate board, as the case may be, is finally set aside.

Sec. 97-101. Default in payments of compensation, penalty. If any compensation payable under the terms of a final decision or judgment is not paid by a self-insured employer or an insurance carrier within thirty-one days after it becomes due, as provided by such final decision or judgment, there shall be added to such unpaid compensation an amount equal to ten per cent thereof, payable at the same time as, but in addition to, such compensation, unless the nonpayment is excused by the director after a showing by the employer or insurance carrier that the payment of the compensation could not be made on the date prescribed therefor owing to conditions over which he had no control.

Sec. 97-102. Costs. (a) If the director, appellate board or any court finds that proceedings under this chapter have been brought, prosecuted or defended without reasonable ground the whole costs of the proceedings may be assessed against the party who has so brought, prosecuted or defended such proceedings.

(b) If an employer appeals a decision of the director, appellate board or circuit court, the costs of the proceedings of the appellate board, circuit court or the supreme court of the State of Hawaii, together with reasonable attorney's fees shall be assessed against the employer, if the employer loses.

Sec. 97-103. Attorneys', physicians' and other fees. Claims of attorneys and physicians for services under this chapter and claims for any other services rendered in respect of a claim for compensation, to or on account of any person shall not be valid unless approved by the director or, if an appeal is had, by the appellate board or court deciding the appeal. Any claims so approved shall be a lien upon such compensation in the manner and to the extent fixed by the director, the appellate board or the court.

Any person who receives any fee, other consideration or gratuity on account of services so rendered, without approval of such fee, other consideration or gratuity in conformity with the preceding paragraph shall be fined not more than \$1,000, or imprisoned not more than one year, or both.

Sec. 97-110. Reports of injuries, other reports, penalty. Every employer shall keep a record of all injuries, fatal or otherwise, received by his employees in the course of their employment, when known to him or brought to his attention.

Within fifteen days after the employer has knowledge of such injury causing absence from work for one day or more or requiring medical treatment beyond ordinary first aid, he shall make a report thereon to the director. The report shall set forth the name, address, and nature of the employer's business and the name, age, sex, wages and occupation of the injured employee and shall state the date and hour of the accident, if the injury is produced thereby, and the nature and cause of the injury and such other information as the director may require.

On June 30 and December 31 of each year the employer shall make a report to the director with respect to each injury on which he is continuing to pay compensation, showing all amounts theretofore paid by him on account of such injury.

The reports required by this section shall be made on forms to be obtained from the director pursuant to section 97-70 and deposit of reports in the United States mails, addressed to the director, within the time specified shall be deemed compliance with the requirements of this section.

When an injury results in immediate death, the employer shall within forty-eight hours notify personally or by telephone a representative of the department in the county where the injury occurred.

Any employer who wilfully refuses or neglects to make any of the reports or give any notice required by this section shall be fined not more than \$100, or imprisoned not more than ninety days, or both.

Sec. 97-111. Reports of physicians, surgeons and hospitals. Within thirty days after being requested to do so by the employer or the director, any physician, surgeon or hospital that has given any treatment or rendered any service to an injured employee shall make to the employer and to the director a report of such injury and treatment, on a form to be obtained from the director for that purpose pursuant to section 97-70.

No claim under this chapter for medical or surgical treatment, or hospital services and supplies, shall be valid and enforceable unless the reports are made as hereinbefore provided, except that the director

may excuse the failure to make such report within thirty days when he finds it in the interests of justice to do so.

The director shall furnish to the injured employee a copy of the final report of the attending physician or surgeon or, if more than one physician or surgeon should treat or examine the employee, a copy of the final report of each such physician or surgeon.

Within thirty days after being requested to do so by the injured employee or his duly authorized representative, the employer shall furnish said employee or his duly authorized representative with copies of all medical reports relating to the employee's injury which are in the possession of the employer. The copies shall be furnished at the expense of the employer. Any employer who fails to furnish medical reports as required by this paragraph shall be fined in an amount not to exceed \$100.

Deposit of the reports required by the first paragraph of this section in the United States mail, addressed to the director and to the employer, within the time limit specified, shall be deemed compliance with the requirements of this section.

Sec. 97-112. Inspections. The director may inspect the plants and establishments of all employers in the State and the inspectors designated by the director shall have free access to such premises during regular working hours, and at other reasonable times.

Sec. 97-113. Penalties for false representations. If for the purpose of obtaining any benefit or payment under the provisions of this chapter, either for himself or for any other person, any one wilfully makes a false statement or representation, he shall be fined not more than \$250.

PART IV. SECURITY FOR COMPENSATION; EMPLOYMENT RIGHTS OF INJURED EMPLOYEES; FUNDS

A. Security for Compensation

Sec. 97-120. Security for payment of compensation; misdemeanor.

(a) Employers, except the State, any county or political subdivision of the State or other public entity within the State, shall secure compensation to their employees in one of the following ways:

(1) By insuring and keeping insured the payment of compensation with any stock, mutual, reciprocal or other insurer authorized to transact the business of workmen's compensation insurance in the State;

(2) By depositing and maintaining with the state director of budget security satisfactory to the director securing the payment by the employer of compensation according to the terms of this chapter;

(3) Upon furnishing satisfactory proof to the director of his solvency and financial ability to pay the compensation and benefits herein provided, no insurance or security shall be required, and the employer shall make payments directly to his employees, as they may become entitled to receive the same under the terms and conditions of this chapter.

Any person who wilfully misrepresents any fact in order to obtain the benefits of paragraph (3) of this subsection shall be guilty of a misdemeanor.

(b) Any decision of the director rendered under the provisions of paragraphs (2) and (3) of subsection (a) of this section with respect

to the amount of security required or refusing to permit no security to be given shall be subject to review on appeal in conformity with sections 97-96 and 97.

Sec. 97-121. Notice of insurance. If the insurance so effected is not under paragraphs (2) or (3) of subsection (a) of section 97-120 the employer shall forthwith file with the director in form prescribed by the director a notice of his insurance together with a copy of the contract or policy of insurance.

Sec. 97-122. Failure to give security for compensation; penalty; injunction. If an employer fails to comply with the provisions of section 97-120 he shall be liable to a penalty of not less than \$25 or of \$1 for each employee for every day during which such failure continues, whichever sum is greater, to be recovered in an action brought by the director in the name of the State, and the amount so collected shall be paid into the special compensation fund created by section 97-140. The director may, however, in his discretion, for good cause shown, remit all or any part of such penalty in excess of \$25, provided the employer in default forthwith complies with section 97-120. With respect to such actions, the attorney general or any county attorney or public prosecutor shall prosecute the same if so requested by the director.

Furthermore, if any employer is in default under section 97-120, for a period of thirty days, he may be enjoined by the circuit court of the circuit in which his principal place of business is from carrying on his business any place in the state so long as the default continues, such action for injunction to be prosecuted by the attorney general or any county attorney if so requested by the director.

Sec. 97-123. The insurance contract. Every policy of insurance issued by an insurer of an employer in section 97-1 which covers the liability of the employer for compensation shall cover the entire liability of the employer to his employees covered by the policy or contract, and also shall contain a provision setting forth the right of the employees to enforce in their own names either by filing a separate claim or by making the insurance carrier a party to the original claim, the liability of the insurance carrier in whole or in part for the payment of the compensation. Payment in whole or in part of compensation by either the employer or the insurance carrier shall, to the extent thereof, be a bar to the recovery against the other of the amount so paid.

All insurance policies shall be of a standard form, the form to be designated and approved by the commissioner of insurance of the State. No policy of insurance different in form from the designated and approved form shall be approved by the director.

Sec. 97-124. Knowledge of employer imputed to insurance carrier. Every policy and contract shall contain a provision that, as between the employee and the insurance carrier, the notice to or knowledge of the occurrence of the injury on the part of the employer shall be deemed notice or knowledge, as the case may be, on the part of the insurance carrier; that jurisdiction of the employer shall, for the purpose of this chapter, be jurisdiction of the insurance carrier, and that the insurance carrier shall in all respects be bound by and subject to the orders, findings and decisions rendered against the employer for the payment of compensation under the provisions of this chapter.

Sec. 97-125. Insolvency of employer not to release insurance carrier.

Every policy and contract shall contain a provision to the effect that the insolvency or bankruptcy of the employer and his discharge therein shall not relieve the insurance carrier from the payment of compensation for an injury suffered by a covered employee during the life of the policy or contract.

Sec. 97-126. Cancellation of insurance contracts. No policy or contract of insurance issued by a stock company or mutual association against liability arising under this chapter shall be canceled within the time limited in the contract for its expiration until at least ten days after notice of intention to cancel such contract, on a date specified in the notice, has been filed with and served on the director and the employer.

Sec. 97-127. Insurance by the State, counties and municipalities. The State, any county or other political subdivision of the State, and any other public entity within the State which is liable to its employees for compensation, may insure with any authorized insurance carrier.

Sec. 97-128. Employees not to pay for insurance; penalty. No agreement by an employee to pay any portion of the premium paid by his employer, or to contribute to a benefit fund or department maintained by the employer, or to the cost of mutual or other insurance maintained for or carried for the purpose of securing compensation as herein required, shall be valid; and any employer who makes a deduction for that purpose from the wages or salary of any employee entitled to the benefits of this chapter shall be fined not more than \$250.

B. Employment Rights of Injured Employees

Sec. 97-135. Employment rights of injured employees; penalty. No employer shall discharge or dismiss any employee or deny such employee the right to return to his employment solely because he suffers any work injury which is compensable under this chapter and which arises out of and in the course of employment with such employer unless it is shown to the satisfaction of the director that the employee will no longer be capable of performing his work as a result of the work injury and that the employer has no other available work which the employee is capable of performing. Any employee who is discharged or dismissed because of such work injury shall be given first preference of reemployment by the employer in any position which the employee is capable of performing and which becomes available after such dismissal or discharge and during the period thereafter until the employee secures new employment.

The foregoing provisions shall not apply to any employer in whose employment there are less than three employees or who is a party to a collective bargaining agreement which prevents the continued employment or reemployment of such injured employee.

Any employer who violates the provisions of this section shall be fined in an amount not to exceed \$200 or be imprisoned for a period not to exceed ninety days or both.

C. Special Compensation Fund

Sec. 97-140. Special compensation fund established and maintained. There is hereby created a fund to be known as the special compensation fund which shall consist of payments made to it as provided by law.

The director of budget of the State shall be custodian of the fund, and all disbursements therefrom shall be paid by him upon orders by the director.

Every employer, pursuant to an order made by the director, shall pay into the fund the amounts specified in sections 97-33(e) and 97-40(d) under the conditions prescribed for such payment. Whenever such amount is paid into the fund and it is subsequently determined by the director, the appellate board or the circuit court having jurisdiction that a dependent is entitled to benefits excluding or diminishing the entitlement of the fund, the director, appellate board or court shall order the refund of the sum to which the fund is not entitled and the director of budget of the State as custodian shall immediately make such refund upon receipt by him of a certified copy of this order. In cases where an order of the director ordering payment into the fund is reversed on appeal the employer is relieved of any duty to make payments into the fund.

PART V. APPLICABILITY TO HAWAII GUARD AND VOLUNTEER PERSONNEL

A. Hawaii Guard

Sec. 97-150. Who entitled to compensation. If a member of the Hawaii national guard or Hawaii state guard suffers a personal injury arising out of and in the performance of his duty therein, compensation shall be paid to him or his dependents by the State for such injury in the manner and in the amounts provided for in this chapter; provided that if in any case arising after May 10, 1951, any such member or his dependents receive compensation from the federal government by reason of such injury, the amount of such compensation shall be deducted from the amount which may thereafter become due from the State.

Sec. 97-151. Terms defined. 'Personal injury', 'compensation' and 'dependents' within the meaning of the foregoing section has the same meaning as is given to these terms in sections 97-1 and 97-41.

Sec. 97-152. Administration. This part shall be administered by the director. He may promulgate such additional rules and regulations relative thereto as he deems necessary or convenient for carrying out the purposes of this part. Procedure in respect of claims hereunder, including procedure upon appeals, shall correspond to the procedure provided in this chapter, except that notice of injury shall be given to the commanding officer of the unit to which the injured person is attached and the commanding officer shall in turn report the same to the division.

Sec. 97-153. Appropriation. So much of the state insurance fund as may be necessary is hereby appropriated for the purpose of section 97-150 and for the purpose of paying compensation awarded under the provisions of Act 131 of the Session Laws of Hawaii 1943, Act 160 of the Session Laws of Hawaii 1945, and Act 169 of the Session Laws of Hawaii 1947.

B. Volunteer Personnel

Sec. 97-160. Volunteer personnel, medical, etc., expenses. Any person who is injured in performing service for the State or any county in any voluntary or unpaid capacity under the authorized direction of a public

officer or employee, and who has not secured payment of his hospital and medical expenses from the state or the county under any other provision of law and has not secured payment thereof from any third person, shall be paid his reasonable hospital and medical expenses under the provisions of this chapter.

Sec. 97-161. Administration and procedure. The provisions of section 97-160 shall be administered by the director. Procedure in respect of claims hereunder, including procedure upon appeals, shall correspond to the procedure provided under this chapter. Notice of injury shall be given to the head of the department for which the injured person is performing service, and the department head shall report the injury to the director. The director may make such rules and regulations as he may deem necessary or convenient for carrying out the provisions of section 97-160.

Sec. 97-162. Time for giving notice, etc. Any time fixed for giving of notice of injury or for any other substantive purpose as to any injuries within the purview of section 97-160 which may have occurred prior to May 25, 1945, but subsequent to December 7, 1941, shall be construed to run from May 25, 1945.

Sec. 97-163. Appropriation. So much of the state insurance fund as may be necessary is hereby appropriated and shall, with the approval of the governor, be expended to pay claims found to be due under section 97-160 for services performed under the authorized direction of a public officer or employee."

SECTION 2. This Act shall take effect on July 1, 1963.

(Approved May 31, 1963.) **S.B. 853.**

ACT 117

An Act Amending Chapter 137, Part III, Revised Laws of Hawaii 1955, as Amended, Relating to Refunding of Revenue Bonds.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 137, part III, Revised Laws of Hawaii 1955, as amended, is further amended by adding a new section to be appropriately numbered and to read as follows:

"Sec. 137- Refunding revenue obligations. Whenever any department of the State shall have outstanding any revenue bonds and the director of the budget, with the approval of the governor, shall determine that it will be financially sound and advantageous to the State to refund such outstanding bonds, said director, with the approval of the governor, shall have the power to provide for the issuance of refunding revenue bonds with which to call and redeem such outstanding revenue bonds or any part thereof at or before the maturity or redemption date thereof, with the right to include various series and issues of such outstanding revenue bonds in a single issue of refunding revenue bonds, and to issue refunding revenue bonds to pay any redemption premium and interest to accrue and become payable on the outstanding revenue bonds being refunded and to establish reserves for such refund-

ing revenue bonds, and also to issue revenue bonds partly to refund outstanding revenue bonds and partly for the construction or acquisition of improvements and additions to and extensions of the undertaking for the construction or acquisition of which said outstanding revenue bonds were issued. Such refunding revenue bonds shall be payable solely from the revenues of such undertaking, and shall be a valid claim only as against such revenues. The net interest cost to the State over the life of any issue of such refunding revenue bonds shall not exceed six per centum per annum, and the interest rate or rates thereon shall not be limited by the interest rate or rates borne by any of the revenue bonds to be refunded thereby. Such refunding revenue bonds shall in the discretion of the director of the budget, with the approval of the governor, be exchanged at par for the revenue bonds which are being refunded or shall be sold at public or private sale in such manner and at such price or prices as the said director shall deem for the best interests of the State and may be issued and delivered at any time prior to the date of maturity or redemption date of the bonds to be refunded that the said director determines to be in the best interests of the State. Said refunding revenue bonds shall, except as specifically provided in this section, be issued in accordance with the provisions with respect to revenue bonds set forth in this part. The proceeds derived from the sale of refunding revenue bonds issued hereunder may be invested in obligations of, or guaranteed by, the United States government pending the time such proceeds are required for the purposes for which such revenue bonds are issued, and to further secure such refunding revenue bonds the said director may contract with the purchasers thereof with respect to the safekeeping and application of the proceeds thereof and the safekeeping and application of such investments. The determination of the said director with respect to the financial soundness and advantage of the issuance and delivery of refunding revenue bonds authorized hereby when approved by the governor shall be conclusive, but nothing herein shall require the holders of any outstanding revenue bonds being refunded to accept payment thereof otherwise than as provided in said bonds."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 916.**

ACT 118

An Act Amending Chapter 137, Revised Laws of Hawaii 1955, Relating to the Issuance of Bonds of the State of Hawaii and Repealing Section 137-4 of Said Chapter.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 137-3 of the Revised Laws of Hawaii 1955 is amended to read as follows:

"Sec. 137-3. Refunding bonds authorized. For the purpose of refunding present and future bonded indebtedness of the State of Hawaii, or bonds issued by any department of the State, the director of the department of budget and review, with the approval of the governor,

may from time to time issue general obligation refunding bonds of the State with which to call and redeem all or any part of outstanding bonds of the State, or bonds issued by any department of the State, at or before the maturity or the redemption date thereof, and may include various series and issues of such outstanding bonds in a single issue of refunding bonds, and to issue refunding bonds to pay any redemption premium and interest to accrue and become payable on such outstanding bonds being refunded. The net interest cost to the State over the life of any issue of such refunding bonds shall not exceed five per centum per annum, and the interest rate or rates thereon shall not be limited by the interest rate or rates borne by any of the bonds to be refunded thereby. Such refunding bonds may be issued and delivered at any time prior to the date of maturity or redemption date of the bonds to be refunded that the director of the department of budget and review, with the approval of the governor, determines to be in the best interests of the State. Said refunding bonds shall, except as specifically provided in this section, be issued in accordance with the provisions with respect to bonds of the State set forth in chapter 137, Revised Laws of Hawaii 1955. The proceeds derived from the sale of refunding bonds issued hereunder may be invested in obligations of, or guaranteed by, the United States government pending the time such proceeds are required for the purposes for which such refunding bonds are issued, and to further secure such refunding bonds the State may, through the director of the department of budget and review, enter into a contract with any bank or trust company, within or without the State of Hawaii, with respect to the safekeeping and application of the proceeds of such refunding bonds, and the safekeeping and application of the earnings on such investment, which contract shall become a part of the contract with the holders of such refunding bonds."

SECTION 2. Section 137-4 of the Revised Laws of Hawaii 1955 is hereby repealed.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 915.**

ACT 119

An Act Relating to Payment of Checks.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 178-96 of the Revised Laws of Hawaii 1955, is hereby amended by deleting the word "four" wherever it appears in said section and by substituting therefor, the word "six".

SECTION 2. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 921.**

ACT 120

An Act to Amend Chapter 199 of the Revised Laws of Hawaii 1955, as Amended, Relating to Sale of Securities.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 199-6 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 199-6. Registration of securities. It shall be unlawful for any person to sell or offer to sell any security except of a class exempt under any of the provisions of section 199-4 or unless sold or offered in any transaction exempt under any of the provisions of section 199-5 in the State unless such security shall have been registered by notification, by qualification, or by coordination, as hereinafter provided. Registration of stock shall be deemed to include the registration of rights to subscribe to such stock if the notice under section 199-7 or the application under section 199-8 or the registration statement under section 199-8.5 includes a statement that such rights are to be issued. A record of the registration of securities shall be kept in a register of securities to be kept in the office of the commissioner, in which register shall also be recorded any orders entered by the commissioner with respect to such securities. Such register and all information with respect to the securities registered therein shall be open to public inspection."

SECTION 2. Section 199-7 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the last paragraph thereof to read as follows:

"At the time of filing the statement, as hereinbefore prescribed in this section, the applicant shall pay to the commissioner a fee of one-twentieth of one per cent of the aggregate offering price of the securities to be offered in the State for which the applicant is seeking registration, but in no case shall such fee be more than one hundred dollars."

SECTION 3. Section 199-8.5 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending clause (a)(4) thereof to read as follows:

"An undertaking to forward all amendments to the prospectus filed under the Securities Act of 1933 promptly and in any event not later than the first business day after the day they are forwarded to or filed with the Securities and Exchange Commission, whichever first occurs."

SECTION 4. Section 199-11 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending subsection (d) thereof to read as follows:

"(d) Eligibility for registration as a salesman. To be eligible for registration under this chapter a salesman shall be of good repute, shall have complied with the provisions mandatory of this section, shall be designated as a salesman by a registered dealer, and shall take and pass an oral or written examination, or both, prescribed by the commissioner, to test his knowledge of the securities business. Every person required to take such an examination shall, at or before the time he takes the same, pay to the commissioner a fee of \$10. No person shall be designated as a salesman by, or shall act as a salesman for, more than one registered dealer."

SECTION 5. Chapter 199 of the Revised Laws of Hawaii 1955, as

amended, is hereby further amended by adding thereto a new section to follow immediately after section 199-12 thereof, to be numbered section 199-12.5, and to read as follows:

"Sec. 199-12.5. Dealers' records and reports; commissioner's powers.

Every dealer registered under this chapter shall make and keep for a period of three years after the close of the calendar or fiscal year to which they pertain, full and complete records of his business, which records shall be open to inspection by the commissioner, and, in addition, shall file with the commissioner such annual or special reports of the condition, financial or other, of such dealer, in such form and detail, as the commissioner shall require. If any such dealer shall fail or refuse to make or keep any such record or to file any such report, the commissioner may subpoena such dealer or any person having knowledge of such dealer's affairs to appear and testify or produce documentary evidence, administer oaths, and examine such dealer or any such person under oath with respect to the affairs of such dealer. The subpoena shall have the same force and effect and shall be served in the same manner as if issued from a court of record. Witness fees and mileage claims shall be allowed the same as for testimony in a court of record. Witness fees, mileage, and actual expenses necessarily incurred in securing the attendance of witnesses and of testimony and the production of documents shall constitute a charge against the dealer, recoverable by action by the State for the use of the persons entitled thereto. If any individual fails to obey the subpoena or obeys the subpoena and refuses to testify when required concerning the matter under investigation, the commissioner shall file his written report thereof and proof of service of his subpoena in the circuit court for the circuit in which the examination is being conducted. Thereupon the court shall forthwith cause the individual to be brought before it to show cause why he should not be held in contempt; and if so held, may punish him as if the failure or refusal related to a subpoena from or testimony in that court."

SECTION 6. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 467.**

ACT 121

An Act Relating to Compensation of Public Employees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 4-4 of the Revised Laws of Hawaii 1955 is hereby deleted and the following substituted therefor.

"Section 4-4. Adoption of compensation plan. (a) All directors shall meet biennially in joint conference at the call of, and at such time and place decided by, the state director, or his authorized representative to review the general condition of the compensation plan and which shall include: the identification and price of bench mark classes; policies and standards; rules and regulations; and any and all areas in the plan which are not inconsistent with the intent and purpose of this Act. Representatives of organizations representing employees and interested persons may attend and participate in the deliberations, but not vote. The

conference of personnel directors shall hold as many meetings as are necessary to accomplish the above-stated purposes and to resolve any differences. Decisions shall be made from majority vote of all directors. In the event that any director is absent, he may authorize his designated representative to act in his stead.

(b) The conference shall compile its views and recommendations, including the tentative compensation plan, to be completed before November 15 of every odd-numbered year and shall be submitted to the appeals board. The appeals board shall upon receipt see to it that the tentative compensation plan is published and that copies, together with the views of the conference of directors, are available to interested parties.

(c) There shall be an appeals board composed of one civil service commission member from each jurisdiction who shall be appointed by the governor. Alternate members from each jurisdiction shall also be appointed by the governor. The term of two of the incumbents shall expire on June 30, 1964 and the term of the other three shall expire on June 30, 1966. Thereafter, succeeding members and their respective alternates shall be appointed for a term of two years. The cost of operations thereof shall be met by state legislative appropriations.

Notwithstanding any other laws to the contrary, each member of the appeals board shall receive \$10 per day for each day on which work is done by them in connection with authorized activities of the board, the cost thereof to be met by state legislative appropriations for the appeals board.

The appeals board shall meet biennially to receive recommendations and comments relating to the compensation plan. The board shall schedule hearings for pricing appeals from affected persons and parties and may hold public hearings as well. At least one biennial appeal hearing shall be held in each jurisdiction. All petitions for appeal shall be filed with the appeals board within 20 days from the date of publication of the tentative compensation plan. Notice of the time and place of such appeal hearings shall be published in the jurisdiction in a newspaper of general circulation at least ten days prior to such hearings.

The appeals board shall function independently of the conference of personnel directors and the several civil service departments of the State and the counties, but may procure office facilities and clerical assistance from them. The board may appoint such technical and other employees not subject to chapters 3 and 4, as it deems necessary. Neither the appeals board nor any of its members or staff shall consult with any member of the conference of personnel directors on any matter pending before the board except on notice and opportunity for the appealing employee or his representative to participate.

The appeals board may appoint a qualified hearings officer, not subject to chapters 3 and 4, R.L.H. 1955, and invest him with power to hear such appeals and report thereon to the appeals board.

The appeals board shall adopt policies and standards relative to compensation. The appeals board may make rules and regulations for the conduct of appeal hearings and public hearings.

(d) Based on the policies and standards referred to in section 4-4 (c), the appeals board shall make whatever adjustments to the affected

classes where the appeals have been filed in the compensation plan that are necessary. Decisions on changes to the compensation plan shall be made on the basis of majority vote, shall be in writing and accompanied by separate findings, and shall be binding on all jurisdictions. Each jurisdiction shall be entitled to one vote. In the event a commissioner is absent, the alternate of that jurisdiction shall vote in his stead.

The final adjustments to the compensation plan shall be completed by the third Wednesday of February of each even-numbered year. Following the final adjustments, each director shall submit to the state legislature, through the office of the governor, a report setting forth the said compensation plan and the cost thereof for its information and approval. The approved compensation plan shall be effective as of July 1 of each even-numbered year. The salary range assignments of classes shall not be appealable until the next biennial review of the compensation plan.

(e) The director shall assign new classes to salary ranges on the basis of the policies and standards referred to hereinabove. Such assignments shall be effective immediately if the availability of funds is certified to by the respective fiscal officers, and shall be in effect until adoption of the next compensation plan; provided, however, that pricing appeals therefor may be held every six months, or at the time of the next biennial review.

All petitions for appeals from affected persons on the pricing of new classes shall be filed with the appeals board within 20 days from the date the notice of such is given by the director. Notice of time and place of such appeal hearing shall be published in the jurisdiction in a newspaper of general circulation at least ten days prior to such hearing. The appeals board shall hear all such appeals as aforementioned.

Except as otherwise provided in this subsection, the procedures to be followed shall be that prescribed in subsections (c) and (d) and in the rules and regulations of the board.

Public hearings shall not be held under this subsection.

After hearing all appeals, the appeals board shall make adjustments to the appealed classes that are necessary based on the policies and standards referred to hereinabove. Decisions on the pricing appeals shall be made on the basis of majority vote, shall be in writing and accompanied by separate findings, and shall be binding on all jurisdictions.

The final adjustments for these appeals in January shall be completed no later than the third Wednesday of February of each odd-numbered year. Following the final adjustments, each director shall submit to the state legislature, through the office of the governor, a report setting forth the said adjustments based on the decisions of the board and the cost thereof for its information and approval.

All decisions of the board under this subsection in favor of the person appealing and granting a higher compensation shall be retroactive to the date of action by the director."

SECTION 2. All rules and regulations adopted prior to the time of taking effect of this Act shall continue in full force and effect; however, all such rules and regulations, or part thereof, which are inconsistent with the provisions of this Act are hereby repealed.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 657.**

ACT 122

An Act Relating to Gifts, Sales, and Transfers by Counties of Real and Personal Property to Private Eleemosynary Organizations Dedicated to Care for the Aged.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The several counties and the city and county of Honolulu are hereby authorized to give, sell, set aside, and transfer property, real or personal, to private eleemosynary organizations dedicated to the care of aged persons, so long as used for the care of such persons.

SECTION 2. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 693.**

ACT 123

An Act Amending Section 343-11 of the Revised Laws of Hawaii 1955, as Amended, Relating to Filing of Subdivision Maps.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 343-11 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the third and fourth paragraphs thereof and substituting therefor a new paragraph to read as follows:

"Plans for the subdivision of land situated in any county shall, before approval by the surveyor, be subject to approval by the appropriate officer, agency or agencies in like manner as subdivisions under applicable laws."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 700.**

ACT 124

An Act Amending Sections 9-30, 9-37 Through 9-44, Revised Laws of Hawaii 1955, as Amended, Providing Preferences for Hawaii Products.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 9-30, Revised Laws of Hawaii 1955, is hereby amended by deleting the first sentence of said section and substituting in place thereof the following:

"All such contracts shall be in writing; shall be executed in the name of the State, county, or the board, bureau or commission thereof authorized to let contracts in its own name, as the case may be, by the officer letting the same, and shall be made with the lowest responsible bidder, except as provided for in section 9-39 herein, if such bidder shall qualify by providing the security required by sections 9-31 to 9-34."

SECTION 2. Sections 9-37 through 9-44, Revised Laws of Hawaii 1955, as amended, are hereby further amended to read as follows:

“Section 9-37. Definitions. Whenever used in sections 9-37 through 9-44:

(a) ‘Person’ includes every individual, partnership, firm, society, unincorporated association, joint venture, group, hui, joint stock company, corporation, trustee, executor, administrator, trust estate, decedent’s estate, trust or other entities, whether such persons are doing business for themselves or in any agency or a fiduciary capacity.

(b) ‘Products’ include materials, manufactures, supplies, merchandise, goods, wares, products and foodstuffs.

(c) ‘Produced or manufactured’ includes the processing, developing and making of a thing into a new article with a distinct character and use through the application of inputs within the State including Hawaii products, labor, skill or other services. This does not include the mere assembling or putting together of non-Hawaii products or material.

(d) ‘Hawaii products’ include products which have been mined, excavated, produced, manufactured, raised or grown in the State of Hawaii by a person where the inputs stated in subparagraph (c) above constitute no less than 25% of the manufactured cost. Where the value of the inputs constitutes 25% or more but less than 50% of the manufactured cost, the product shall be classified as class I; where the value of the inputs constitutes 50% or more but less than 75% of the manufactured cost, the product shall be classified as class II; where the value of the inputs constitutes 75% or more of the manufactured cost, the product shall be classified as class III.

(e) ‘Governmental agency’ includes the State, municipal or county governments, or any department, bureau, division, agency or political subdivision thereof and any board, committee, public officer or employee thereof.

Section 9-38. Hawaii products list, bidding and advertisements. The state comptroller shall make rules and regulations for the establishment and administration of a Hawaii products list, including the various classifications of Hawaii products; for necessary procedures for qualifying and registering products for such list; for the annual revision of said list; and for such other purposes as may be necessary to carry out the intent of the preferences provided for in section 9-39.

The comptroller shall distribute copies of said list to the purchasing departments of the various governmental agencies.

The comptroller shall have the authority to examine and review the financial statements and such other reports as may be necessary, of any person, who desires to have his products on the Hawaii products list, to determine whether the products meet the qualifications. All persons whose products are on the Hawaii products list shall be responsible for informing the comptroller of any change in the classifications of their products which have been originally registered with the Hawaii products list within two months of said change. In any event, such persons shall file annually with the comptroller such documents or information as may be required in determining any change in the classification of a Hawaii product under the rules and regulations to be established by the comptroller, within two months from the closing of their books, whether on a fiscal or calendar year.

Every advertisement for bid by a governmental agency shall contain

a notice referring to the preferences for Hawaii products and to section 9-39, and shall contain a notice referring to the place where the Hawaii products list may be examined.

Section 9-39. Mandatory purchase of Hawaii products. In any expenditure of public funds, a governmental agency shall purchase any required product from the Hawaii products list established under section 9-38 where such products are available, provided said products meet the minimum specifications and the selling price does not exceed 3%, where class I Hawaii products are involved, or 5% where class II Hawaii products are involved or 10% where class III Hawaii products are involved, of the delivered or lowest bid in Hawaii of similar non-Hawaii product.

Where a package bid or purchase contains both Hawaii and non-Hawaii products, then for the purpose of selecting the lowest bid or purchase price only, the price bid or offered for a non-Hawaii product item shall be increased by adding thereto 3%, 5% or 10% where a similar class I, class II or class III Hawaii product items have been bid or offered by another party pursuant to the preferences stated above. The lowest total bid, taking into consideration the above preferences, shall be awarded the contract but the contract amount of any contract awarded, however, shall be the amount of the bid or price offered, exclusive of such preferences.

Section 9-40. Designation of products in bidding. All persons submitting bids to any governmental agency and claiming the above preferences must have the products being offered or used qualified and registered with the Hawaii products list and shall designate in their bids as to which individual product to be supplied is a Hawaii product and the class thereof.

Section 9-41. Public works contract; specifications. In all public works and any repair or maintenance contracts, a governmental agency or any person employed by a governmental agency, including architects and engineers, shall describe in all specifications, products listed in the Hawaii products list established under section 9-38 which may be used, where such products are available and meet the minimum specifications.

In any such bid by any person utilizing Hawaii products, such person may claim the preferences stated in section 9-39 above, provided that such person complies with the provisions set forth in section 9-40. For the purpose of determining the lowest bid price only, the provisions of section 9-39 shall also apply.

Section 9-42. Inapplicable when federal funds jeopardized. Sections 9-37 through 9-41, 9-43 and 9-44 shall not be applicable whenever their application will disqualify any governmental agency from receiving federal funds or aid.

Section 9-43. Violation voids contract. Any purchase made or any contract awarded or executed in violation of sections 9-37 through 9-41 shall be void and of no effect, and no payment shall be made by any governmental agency on account of any such purchase or contract.

Section 9-44. Penalty. Any officer or employee of any governmental agency who violates any provisions of sections 9-37 through 9-43 shall be fined not more than \$1,000 or imprisoned not more than one year or both.

Any person, or any officer or employee of any person, who violates any provisions of sections 9-37 through 9-43 shall be fined not more than \$1,000 or imprisoned not more than one year or both; and any person who is awarded a contract or given an order for purchase as a result of misrepresentation in his bid or makes a claim in his bid that he will purchase Hawaii products but fails to do so shall, in addition, be fined the difference between the price of the products actually used or supplied and the price he would have paid for Hawaii products and shall not be awarded any contract or be given any order for purchase or be eligible for bidding until one year after the date when such person pays the fines levied under this section."

SECTION 3. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 780.**

ACT 125

An Act Relating to County and Municipal Bonds and Amending Chapter 139 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 139-1 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Section 139-1. Issuance authorized; approval. The treasurer of each county may, upon authorization of the board of supervisors, issue from time to time bonds of such county, to an amount not to exceed ten per cent of the total of the assessed values for tax rate purposes of real property in such county, as determined by the last tax assessment rolls pursuant to law, nor to exceed in one fiscal year, two per cent of such assessed values in such county, the principal and interest to be paid dollar for dollar in any coin or currency of the United States which at the time of payment is legal tender for public and private debts, in the manner, upon the terms and for the purposes of this chapter stated. For the purposes of this chapter, board of supervisors as used herein shall include the city council of the city and county of Honolulu, and treasurer of each county as used herein shall include the director of finance of the city and county of Honolulu."

SECTION 2. Chapter 139 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding section 139-3 thereto to read as follows:

"Section 139-3. Method of authorization. Bonds issued pursuant to this chapter shall be authorized by an ordinance or resolution of the board, which ordinance or resolution may relate to more than one public improvement. It shall be a sufficient recital of purpose of issuance if such ordinance or resolution recites that the proceeds of the bonds authorized therein are to be used to pay all or part of the cost of appropriations for public improvements made in a capital budget ordinance or resolution identified in the bond authorizing ordinance or resolution, and neither the individual appropriations nor public improvements to which such proceeds are to be applied need be specified in such bond authorizing ordinance or resolution."

SECTION 3. Section 139-12 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Section 139-12. Interest rate, denominations, maturities, place payable, registration, redemption, sale, other disposal. All bonds issued under the authority of this chapter shall bear interest payable semiannually at a rate or rates not exceeding five per centum per annum; if for a term exceeding one year, shall be in serial form maturing in substantially equal annual installments, the first installment to mature not later than five years from the date of the issue of such series and the last installment not later than thirty-five years from the date of such issue; may be payable as to both principal and interest at places within and without the State; may be issued in coupon form without privilege of registration or registrable as to principal only or as to both principal and interest or in fully registrable form; and may be made redeemable at any time or times prior to their stated maturities at prices not exceeding one hundred four per cent of the par value thereof. Unless the board of supervisors shall itself perform such actions, the treasurer of each county, from time to time and without further authorization of the board, shall determine the form, date, denominations and maturities of the bonds theretofore authorized by the board to be issued under the authority of this chapter, the place or places within or without the State at which the principal and interest of such bonds or any of them shall be payable and at which the bonds may be registered, and the time or times, prices and method of their redemption, and shall offer for sale and sell the whole or any part of any issue of such bonds. Such bonds shall be sold for not less than their par value, and shall be sold by means of public advertisement for tenders, either with the interest rate to be borne by such bonds having theretofore been fixed by the board of supervisors, in which event the bonds shall be sold to the bidder offering the highest price therefor, or shall be offered for sale without a specified rate or rates of interest, to be sold to the bidder offering the lowest interest cost after allowing for any premium tendered, in which event the bonds shall, without further action of the board, bear interest at the rate or rates set forth in the best bid therefor; provided, however, the right may be reserved to reject any and all bids. The advertisement for tenders required by this section shall be published at least once and at least five days prior to the date of such sale in a newspaper circulating in the State and in financial newspaper or newspapers published in any of the cities of New York, Chicago or San Francisco. Notwithstanding the foregoing provisions of this section as to public sale, any bonds authorized pursuant to this chapter may, with the approval of the board of supervisors, be deposited by the treasurer with and pledged to, or be otherwise disposed of to any board, agency or instrumentality of the State or of the United States government to secure the repayment of or an actual payment of, any loans or advances made or to be made, under the authority of an act or acts of the legislature of Hawaii or of the Congress of the United States authorizing such loans or advances by such board, agency or instrumentality to the county for the construction in whole or in part of any public improvement, the cost of which or any part thereof, would be payable out of the proceeds of such bonds, if sold."

SECTION 4. Section 139-21 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Section 139-21. Pledge of full faith and credit, unlimited taxation to pay principal and interest; satisfaction of judgment. The full faith and credit of the county shall be pledged to the payment of the principal and interest of the bonds issued by such county under this chapter, whether or not such pledge be stated in such bonds. For the payment of such principal and interest, the board of supervisors shall have the power and be obligated to levy ad valorem taxes without limitation as to rate or amount on all the real property subject to taxation by such county. Should any county default in the payment of any judgment secured against such county, upon an action at law for the collection of the principal or interest, or any part of either thereof, of any bond of such county, the treasurer of such county shall thereafter reserve from the general revenues of the county, as soon as received, money sufficient to pay such judgment."

SECTION 5. Chapter 139 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding section 139-23 thereto to read as follows:

"Section 139-23. Provisions of chapter controlling. Insofar as the provisions of this chapter are inconsistent with the provisions of any law or charter, the provisions of this chapter shall be controlling. The powers conferred by this chapter shall be in addition and supplemental to the powers conferred by any other law or charter, and bonds may be issued hereunder for any public improvement notwithstanding that any other law or charter may provide for the issuance of bonds for like purposes and without regard to the requirements, restrictions or other provisions contained in any other law or charter. Bonds may be issued under this chapter notwithstanding any debt or other limitation prescribed by any other law or charter and without obtaining the consent of any commission, board, bureau, agency or department of the State, and without any other proceeding or happening of any other condition or thing than those proceedings, conditions or things which are specifically required by this chapter, and the mode and the method of procedure for the issuance of bonds under this chapter need not conform to the provisions of any other law or charter. The authorization, issuance and validity of bonds under this chapter shall not be dependent on or affected in any way by proceedings taken, contracts made, acts performed or done in connection with, or in furtherance of, any public improvement undertaken by the county authorizing and issuing the bonds, nor shall the authorization, issuance and validity of bonds issued under this chapter be dependent in any way upon the due adoption or enactment of any capital program or capital budget ordinance or resolution or upon the continued effectiveness of any appropriation made in any capital budget ordinance or resolution; provided, however, that nothing in this section shall be deemed to permit the application of the proceeds of such bonds to appropriations which have lapsed pursuant to the provisions of law or of a charter."

SECTION 6. Chapter 139 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding section 139-24 thereto to read as follows:

"Section 139-24. Validation of proceedings. All proceedings heretofore taken and all elections heretofore held in any county under this chapter or any charter, to provide for, and with respect to, the contracting of bonded indebtedness and the authorization, issuance, sale, execution and delivery of bonds by or on behalf of such county, are hereby validated, ratified, approved and confirmed, notwithstanding any lack of power of the board of the county to authorize and issue such bonds, or to authorize the execution, sale or delivery thereof, and notwithstanding any defects or irregularities in any such proceedings or elections, whether taken under this chapter or any charter, or in such execution, sale or delivery; and such bonds so issued or to be issued are and shall be binding, legal, valid and enforceable obligations of such county."

SECTION 7. Severability. If any section, subsection, sentence, clause or phrase of this Act is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Act. The legislature hereby declares that it would have approved this Act and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more other sections, subsections, sentences, clauses or phrases be declared unconstitutional.

SECTION 8. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 1057.**

ACT 126

An Act to Amend Section 180-4 of the Revised Laws of Hawaii 1955, Relating to Investment Certificates of Savings and Loan Associations.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 180-4 of the Revised Laws of Hawaii 1955 is hereby amended by adding the following paragraph at the end thereof: "For the purposes of sections 180-19(f), 180-46, 180-53.5(f), 180-53.5(g), and 180-57, and any other sections or subsections imposing limitations in terms of a percentage of the capital of an association, investment certificates shall be deemed a part of the capital of an association."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 31, 1963.) **S.B. 750.**

ACT 127

An Act to Amend Chapter 6 of the Revised Laws of Hawaii 1955, as Amended, Relating to the Employees' Retirement System.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 6-27 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Sec. 6-27. Evidence of age of members required. An employee be-

coming a member of the system shall present at such time and in such form as the board shall prescribe evidence of his date of birth.

No statement or record of age or birth made or presented by a member of the system may be impeached by such member or his successors in interest."

SECTION 2. Section 6-38 of the Revised Laws of Hawaii 1955, is hereby amended by adding the following sentences at the end thereof: "For service rendered as a member of the legislature after the admission of this State into the union, the annual compensation of a member shall be computed, for the purpose of determining the member's average final compensation, as follows: during a year in which a general session is held, it shall be deemed to be an amount equal to four times the salary of a member of the legislature for a general session; and during a year in which a budget session is held, it shall be deemed to be an amount equal to six times the salary of a member of the legislature for a budget session. For service rendered as a member of the legislature prior to the admission of this State into the union, the annual compensation of a member shall be deemed to have been four times the salary of a member of the legislature for a regular session for each year during his term of office."

SECTION 3. Section 6-41 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 6-41. Service retirement. Retirement of a member on a service retirement allowance shall be made by the board as follows:

(a) Any member who has attained the age of fifty-five years or who has twenty-five years of creditable service, may retire upon his written application to the board specifying on what date, not less than thirty days nor more than ninety days subsequent to the execution and filing thereof, he desires to be retired.

(b) Any member who has attained the age of seventy years, shall be retired on the first day of the calendar month next succeeding that in which he has attained such age.

(c) Any member who has attained the age of sixty-five may retire and receive a service retirement allowance although he continues to be a member of the legislature."

SECTION 4. Section 6-42 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 6-42. Allowance on service retirement.

A. Upon retirement for service a member who has attained age sixty-five shall receive a service retirement allowance as follows:

1. An annuity which shall be the actuarial equivalent of that part of his accumulated contributions which he contributed to purchase an additional annuity pursuant to section 6-84, which amount he may withdraw at the time of his retirement in lieu of such annuity; and

2. A retirement allowance equal to one-sixtieth of the average final compensation of the member multiplied by the total number of years of his creditable service reduced for class A members by one two-hundred-eightieth, or one one-hundred-fortieth if the member elected to reduce his contributions as provided in section 6-83, of the part of his average final compensation not in excess of \$4,200 per annum multiplied

by the number of years of his creditable service rendered subsequent to December 31, 1955 for which he received compensation covered by social security.

B. If the member has not attained age sixty-five at the time of service retirement, he shall receive the greater of:

1. A retirement allowance computed as though he had attained age sixty-five, reduced in accordance with factors of actuarial equivalence adopted by the board upon the advice of the actuary; or

2. If the member had attained age sixty prior to July 1, 1963:

(a) An annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement; and

(b) A pension equal to one one-hundred-fortieth of his average final compensation multiplied by the number of years of his membership service; and if he has a prior service certificate in full force and effect, an additional pension which shall be equal to one-seventieth of his average final compensation multiplied by the number of his years of service certified to him on his prior service certificate; provided that if the member is a class A member, such pension payable subsequent to the attainment of age sixty-five shall be reduced by one two-hundred-eightieth, or one one-hundred-fortieth if the member elected to reduce his contributions as provided in section 6-83, of the part of his average final compensation not in excess of \$4,200 per annum multiplied by the number of years of his creditable service subsequent to December 31, 1955 for which he received compensation covered by social security.

C. Notwithstanding the foregoing, in the case of a fireman or a policeman, who has attained age sixty or who has attained age fifty-five with twenty-five years of creditable service, the service retirement allowance shall consist of a pension, in addition to the annuity, which shall consist of: (1) one per cent of his average final compensation for each of his first twenty-five years of creditable service rendered after June 30, 1957; (2) three-fourths of one per cent of his average final compensation for each of the next ten years of creditable service after June 30, 1957; and (3) an additional pension, which when added to the annuity provided by the contributions made by the member prior to June 30, 1957, will result in a total retirement allowance of two per cent of his average final compensation for each year of creditable service rendered before July 1, 1957 up to a total of twenty-five years, and one one-half per cent of his average final compensation for each of the next ten years of creditable service before July 1, 1957; provided, however, that if such member retiring under the terms of this section had, at any time subsequent to December 31, 1955, service as a class A member, his pension payable subsequent to the attainment of age sixty-five shall be reduced by one two-hundred-eightieth, or one one-hundred-fortieth if the member elected to reduce his contributions as provided in section 6-83, of the part of his average final compensation not in excess of \$4,200 per annum multiplied by the number of years of his creditable service subsequent to December 31, 1955 for which he received compensation covered by social security. If such a member has attained age fifty-five and has less than twenty-five years of credited service, he shall receive a retirement allowance computed as though he had

attained age sixty, reduced in accordance with factors of actuarial equivalence adopted by the board upon the advice of the actuary.

D. The service retirement allowance of a member who has attained age sixty and who has had ten years of service credit, including service as a judge or an elective officer rendered after May 27, 1961, shall be computed on the following basis: (a) for each year of creditable service as a judge or an elective officer rendered after the admission of this State into the union, 3.4523 per cent of his average final compensation, in addition to the annuity allocable to the period of such service; and (b) for all other creditable service, on the same basis as if this paragraph had not been enacted, to be computed without reference to the amounts creditable under (a) hereof. If he is a class A member, the retirement allowance shall be reduced by one two-hundred-eightieth, or one one-hundred-fortieth if the member elected to reduce his contributions as provided in section 6-83, of the part of his average final compensation not in excess of \$4,200 per annum multiplied by the number of years of his creditable service rendered subsequent to December 31, 1955 for which he received compensation covered by social security. The allowance shall in no case exceed seventy-five per cent of the average final compensation; if it exceeds such limit, it shall be reduced by first reducing the annuity, and such portion of the accumulated contributions as may be in excess of the requirements of the reduced annuity shall be returned to the member. The allowance shall in no case be less than if this paragraph had not been enacted. If such a member has not attained age sixty, the benefit payable under (a) of this paragraph shall be computed as though he had attained age sixty, reduced in accordance with factors of actuarial equivalence adopted by the board upon the advice of the actuary."

SECTION 5. Section 6-45 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 6-45. Allowance on ordinary disability retirement.

A. Upon retirement for disability, a member shall receive a service retirement allowance if he has attained the age of sixty years; otherwise he shall receive a disability retirement allowance which shall consist of (1) an annuity which shall be the actuarial equivalent of his accumulated contributions at the time of retirement; and (2) a pension equal to one one-hundred-fortieth of his average final compensation multiplied by the number of years of membership service that would have been rendered by him were his service to continue to age sixty, except that for each year of creditable service as a judge or an elective officer rendered after the admission of this State into the union, he shall receive a retirement allowance computed as though he were age sixty as provided in section 6-42D, and except that if a member is a class A member, such pension payable subsequent to the time when the member becomes eligible for a social security benefit shall be reduced by one two-hundred-eightieth of the part of his average final compensation, not in excess of \$4,200 multiplied by the number of years of his creditable service that would have been rendered by him subsequent to December 31, 1955 and for which he would have received compensation covered by social security, if his service continued to age sixty; and (3) if he has a prior service certificate in full force and effect an additional pen-

sion which shall be equal to one-seventieth of his average final compensation multiplied by the number of years of service certified to him on his prior service certificate.

B. Notwithstanding the foregoing, the disability retirement allowance in the case of a fireman or a policeman shall be his annuity plus a pension of ninety per cent of the pension computed on the basis of his average final compensation which would be allowed had he continued in service to attain his minimum age for service retirement, except that if the member had, at any time subsequent to December 31, 1955, service as a class A member such pension payable subsequent to the time when the member becomes eligible for a social security benefit shall be reduced by ninety per cent of one two-hundred-eightieth of the part of his average final compensation not in excess of \$4,200 multiplied by the number of years of his creditable service that would have been rendered by him subsequent to December 31, 1955, and for which he would have received compensation covered by social security, if his service continued to his minimum age for service retirement."

SECTION 6. Section 6-46 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Sec. 6-46. Service-connected total disability benefit. Upon application of a member, or of the head of his department, any member who has been permanently incapacitated as the natural and proximate result of an accident occurring while in the actual performance of duty at some definite time and place, through no wilful negligence on his part, may be retired by the board for service-connected total disability provided that:

(1) In the case of an accident occurring after the effective date of this amendatory Act, the employer shall file with the board a copy of the employer's report of the accident submitted to the bureau of workmen's compensation;

(2) An application for retirement is filed with the board within 2 years of the date of the accident, or the effective date of this amendatory Act, or the date upon which workmen's compensation benefits cease, whichever is latest;

(3) Certification is made by the head of the agency in which the member is employed, stating the time, place and conditions of such service performed by such member resulting in such disability and that the disability was not the result of wilful negligence on the part of such member;

(4) The medical board certifies that such member is incapacitated for gainful employment and that such incapacity is likely to be permanent.

The board may waive strict compliance with the time limits within which a report of the accident and an application for service-connected disability retirement must be filed with the board if it is satisfied that the failure to file within the time limited by law was due to ignorance of fact or law, inability, or to the fraud, misrepresentation or deceit of any person, or because the applicant was undergoing treatment for the disability or was receiving vocational rehabilitation services occasioned by the disability.

The board shall have the power to determine whether or not the disability is the result of an accident occurring while in the actual per-

formance of duty at some definite time and place and that the disability was not the result of wilful negligence on the part of the member; provided, however, that the board may accept as conclusive: (a) the certification made by the head of the agency in which the member is employed; or (b) a finding to this effect by the medical board."

SECTION 7. Chapter 6 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section to read as follows:

"Sec. 6-46.1. Service-connected occupational disability benefit. Upon application of a member, or of the head of his department, any member who has been permanently incapacitated for duty as the natural and proximate result of an accident occurring while in the actual performance of duty at some definite time and place, through no wilful negligence on his part, may be retired by the board for service-connected occupational disability provided that:

(1) In the case of accident occurring after the effective date of this amendatory Act, the employer shall file with the board a copy of the employer's report of the accident submitted to the bureau of workmen's compensation;

(2) An application for retirement is filed with the board within two years of the date of the accident, or the effective date of this amendatory Act, or the date upon which workmen's compensation benefits cease, whichever is latest;

(3) Certification is made by the head of the agency in which the member is employed, stating the time, place and conditions of such service performed by such member resulting in such disability and that the disability was not the result of wilful negligence on the part of such member; and

(4) The medical board certifies that such member is incapacitated for the further performance of duty, that such incapacity is likely to be permanent.

The board may waive strict compliance with the time limits within which a report of the accident and an application for service-connected disability retirement must be filed with the board if it is satisfied that the failure to file within the time limited by law was due to ignorance of fact or law, inability, or to the fraud, misrepresentation or deceit of any person, or because the applicant was undergoing treatment for the disability or was receiving vocational rehabilitation services occasioned by the disability.

The board shall have the power to determine whether or not the disability is the result of an accident occurring while in the actual performance of duty at some definite time and place and that the disability was not the result of wilful negligence on the part of the member; provided, however, that the board may accept as conclusive: (a) the certification made by the head of the agency in which the member is employed; or (b) a finding to this effect by the medical board."

SECTION 8. Section 6-47 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 6-47. Allowance on retirement for service-connected total disability. Upon retirement for service-connected total disability, a member shall receive a retirement allowance which shall consist of: (a) an

annuity which shall be the actuarial equivalent of his accumulated contributions at the time of his retirement; and (b) a pension, in addition to the annuity, of sixty-six and two-thirds per cent of his average final compensation, except that if a member was, at any time, a class A member, such pension payable subsequent to the time when the member becomes eligible for a social security benefit, shall be reduced by sixteen and two-thirds per cent of the part of his average final compensation not in excess of \$4,200 per annum."

SECTION 9. Chapter 6 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section to read as follows:

"Sec. 6-47.1. Allowance on retirement for service-connected occupational disability. Upon retirement for service-connected occupational disability, a member shall receive for a period of three years from the date of retirement an allowance computed in the manner prescribed for service-connected total disability. In addition, within this three-year period, he shall be reimbursed in full for all expenses for all services, drugs and appliances approved by the medical board as being necessary to the treatment and care of the disability, which expenses are not met by the Hawaii public employees' health fund. Within said three-year period, the retirement system shall also pay the cost of any physical and vocational rehabilitation services approved by the medical board. After the completion of three years, the annuity being paid shall be continued and the pension shall be thirty-three and two-thirds per cent of his average final compensation; provided, however, if the medical board shall, within said three-year period of time, find and certify that the disability pensioner is totally incapacitated for gainful employment, the board of trustees shall award a service-connected total disability benefit in which case benefits shall be paid under section 6-47.

Any other provision of this chapter notwithstanding, a pensioner, receiving service-connected occupational disability benefits, shall continue to receive such benefits irrespective of his later employment or if he later becomes a member of the retirement system. If such a pensioner again becomes a public employee, his membership status in the retirement system shall be determined as though he were entering public employment for the first time and all benefits related to such new membership shall be accrued and paid without reference to the service-connected occupational disability benefits being paid."

SECTION 10. Section 6-49.5 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 6-49.5. Post retirement allowances. There shall be a post retirement allowance payable to each person receiving any pension, annuity or retirement allowance under the provisions of this chapter, on June 30, 1961, and to each person who first becomes entitled to receive any such pension, annuity or retirement allowance on or after July 1, 1961, as follows:

On the first day of July in each year following June 30, 1961, or the calendar year in which any monthly pension, annuity or retirement allowance was first paid, whichever last occurs, there shall be added to such monthly pension, annuity or retirement allowance and paid to the beneficiary thereof monthly thereafter an amount equivalent to one

one-half per cent of the amount of such monthly pension, annuity or retirement allowance as originally computed, approved and paid.

From and after July 1, 1963, the monthly benefits payable under this section shall be computed and paid on the basis of the number of years that have elapsed since the person entitled thereto first became the recipient of the pension, annuity or retirement allowance from which the benefit is derived."

SECTION 11. Section 6-50 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 6-50. Selection of retirement allowances. Maximum allowance.

Any member may elect to receive his benefit in a retirement allowance payable throughout his life provided that in the event of his death there shall be paid to his designated beneficiary, otherwise to his estate, the difference between the value of his accumulated contributions at the time of retirement and the retirement allowance payments which he has received.

In lieu of this maximum selection, he may elect to receive the actuarial equivalent of his retirement allowance in a lesser allowance payable throughout life with the provision that:

Option 1. If he dies before he has received in payments the present value of his retirement allowance as it was at the time of his retirement, the balance shall be paid to his legal representatives or to such person as he nominates by written designation duly acknowledged and filed with the board. The person designated to receive the balance remaining in the retirement allowance may elect to receive this balance in one of the following ways: (a) lump sum; or (b) a life annuity payable in installments not oftener than once a month unless the payment amounts to less than \$10 a month in which case full settlement shall be made in a lump sum; or (c) cash payment in part, and a reduced annuity as described under (b) above.

Option 2. Upon his death, his retirement allowance shall be continued throughout the life of and be paid to such person as he nominates by written designation duly acknowledged and filed with the board at the time of his retirement.

Option 3. Upon his death, one-half of his retirement allowance shall be continued throughout the life of and be paid to such person as he nominates by written designation duly acknowledged and filed with the board at time of his retirement.

Option 4. Some other benefit or benefits shall be paid either to the member or to such person or persons as he nominates, provided such other benefit or benefits, together with the lesser retirement allowance, shall be certified by the actuary to be of equivalent actuarial value to his retirement allowance and shall be approved by the board.

Option 5. He shall receive a lump sum payment which shall be equivalent to his accumulated contributions.

Any other provision of this section notwithstanding, in the event of the death of a member within one year after the date of retirement, there shall be paid as a death benefit, and in lieu of any payments under an option elected pursuant to this section, such benefits as would be paid if such member had died immediately prior to his retirement, provided that there shall be subtracted from the value of such death benefit

such retirement allowance payments as the member shall have received prior to his death, and provided further that if the member received the lump sum payment of his accumulated contributions under option 5, such contributions shall not be included in the determination of the value of such death benefit.

Any selection of retirement allowance pursuant to the provisions of this section shall be irrevocable."

SECTION 12. Section 6-51 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Sec. 6-51. Ordinary death benefit. Upon the receipt of proper proofs of the death of a member in service, there shall be paid to his estate or to such person as he has nominated by written designation duly executed and filed with the board: (a) his accumulated contributions and if no pension be payable under the provisions of section 6-52, in addition thereto, (b) an amount equal to fifty per cent of the compensation earnable by him during the year immediately preceding his death if he had at least one year, but not more than ten full years of creditable service, which amount shall increase by five per cent of such compensation for each full year of service in excess of ten years, to a maximum of one hundred per cent of such compensation.

If such a member was eligible for service retirement at the time of his death in service, and such death occurred on or after January 1, 1963, his surviving spouse, if there be one, may elect to receive in lieu of any other payments provided in this section, the allowance which would have been payable if the member had retired and had elected to receive his retirement allowance under option 3 of section 6-50."

SECTION 13. Section 6-53 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 6-53. Rights of members separated from service. (a) Any member who ceases to be an employee, except by death or retirement, upon demand made in writing within five years from the time he ceases to be an employee, shall be paid all his accumulated contributions. (b) Any member having less than five years of creditable service who ceases to be a member by reason of his absence from service for more than five years shall thereupon be paid all his accumulated contributions. (c) Any member whose membership continues notwithstanding his separation from service shall be eligible for the service retirement benefit only, which shall be payable only in accordance with the provisions relating hereto. (d) In case of the death of any member after termination of service, his accumulated contributions shall be payable to his estate or to such person as he has nominated by written designation duly executed and filed with the board.

After July 1, 1961, there shall be included in any payments made pursuant to this section the sums contributed by the member to the post retirement fund."

SECTION 14. Section 6-72 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 6-72. Funds of the system. The funds created by this part are the annuity savings fund, the pension accumulation fund, the post retirement fund, the expense fund and the minimum pension fund."

SECTION 15. Section 6-78 of the Revised Laws of Hawaii 1955, is amended to read as follows:

"Sec. 6-78. Interest. The board annually shall allow regular interest on the mean amount for the preceding year in the annuity savings fund and the post retirement fund. The amounts so allowed shall be credited annually thereto by the board from interest and other earnings on the moneys of the system. Any additional amount required to meet such interest and regular interest on the mean amount for the preceding year in the pension accumulation fund shall be paid by the State and counties."

SECTION 16. Section 6-83 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 6-83. Deducting employee contributions from salary. The board shall certify to the head of each department of the State and to the auditor of each county, and each such department head or auditor shall cause to be deducted from the salary of each member on each and every payroll under his jurisdiction for each and every payroll period, the proportion of earnable compensation of each member so computed under section 6-82; provided, that any class A member in service on or before June 30, 1963 may elect at the time of becoming a class A member to have one-half or three-quarters of such proportion applied to his annual compensation not in excess of \$4,200. In determining the amount earnable by a member in a payroll period, the board may consider the rate of annual compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period and it may omit deduction from compensation for any period less than a full payroll period if an employee was not a member on the first day of the payroll period, and to facilitate the making of deductions it may modify the deduction required of any member by such an amount as shall not exceed one-tenth of one per cent of the annual compensation upon the basis of which such deduction is to be made.

The deduction provided for herein shall be made notwithstanding that the minimum compensation provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided for herein and shall receipt for his full salary or compensation, and payment of salary or compensation less such deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to the benefits provided under this part. The head of each such department shall certify to the board on each and every payroll the amounts to be deducted, and each of such amounts shall be so deducted; and the auditor of each county shall transmit monthly or at such other times as may be agreed upon by the board, the total amount of deductions made by him from the salaries of employees of such county and a record of the amount deducted from each member's compensation. All amounts so deducted shall be paid into the annuity savings fund and shall be credited, together with regular interest thereon, to the individual account of the member from whose compensation each deduction was made."

SECTION 17. Section 6-84.5 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 6-84.5. Refund of additional contributions. All deposits made by any member to purchase an additional annuity in the system shall be refunded to such member upon application or left with the system to provide an additional annuity as provided for in section 6-42."

SECTION 18. Section 6-85 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Sec. 6-85. Payments from the annuity savings fund. The accumulated contributions of a member withdrawn by him, or paid to his estate or to his designated beneficiary in the event of his death, shall be paid from the annuity savings fund. Upon the retirement of a member his accumulated contributions shall be transferred from the annuity savings fund to the pension accumulation fund."

SECTION 19. Section 6-87 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Sec. 6-87. Pension accumulation fund. The pension accumulation fund shall be the fund in which shall be accumulated all contributions made by the State and any county and all income from investments and from which shall be paid all benefits other than those benefits which are specifically payable from other funds."

SECTION 20. Sections 86, 94 and 95 of chapter 6 of the Revised Laws of Hawaii 1955, and Act 20 of the Session Laws of Hawaii 1962, are hereby repealed.

SECTION 21. This Act shall take effect as of July 1, 1963.

(Approved June 3, 1963.) **S.B. 395.**

ACT 128

An Act Relating to Tax Exemption of Improvement Bonds and Interest Thereon and Amending Chapter 138 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 138 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section to be appropriately numbered and to read as follows:

"Section 138- Improvement bonds exempt from taxation. All bonds heretofore or hereafter issued by any of the counties of the State for improvements by assessments, and the interest thereon, shall be exempt from all state, county and municipal taxation, except inheritance, transfer and estate taxes."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 1058.**

ACT 129

An Act Relating to the Retirement of Firemen or Policemen and Amending Section 6-41, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to provide for the retirement of firemen and policemen notwithstanding that they may have been separated from the service prior to the enactment of Act 231, Session Laws of Hawaii 1957.

SECTION 2. Section 6-41, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding at the end thereof a new paragraph to be designated (e) and to read as follows:

“(e) Any former fireman or policeman who ceased to be an employee prior to July 1, 1957, but who maintained the membership status described in section 6-53(c), Revised Laws of Hawaii 1955, from the date he ceased to be an employee until attainment of age 55 may be retired regardless of years of service and receive a retirement allowance computed in accordance with the formula provided for the retirement of firemen and policemen in par. (b) (2) of section 6-42, Revised Laws of Hawaii 1955, as amended, without diminution for age or service.”

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 1076.**

ACT 130

An Act to Amend a Franchise Held by Hilo Electric Light Company, Limited and to Repeal Certain Franchises for Electric Service on the Island of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. S. L. 1921 Act 101, ratified, confirmed and approved by Act of Congress (42 Sts. at L. 185, c. 81) approved August 24, 1921; as enacted as law by S. L. 1935 Act 1; as amended by S. L. 1941 Act 112, approved by Act of Congress (55 Sts. at L. 777, c. 488) approved November 21, 1941; as amended by S. L. 1945 Act 32 and S. L. 1949 Act 251, ratified and confirmed by Act of Congress (63 Sts. at L. 929, c. 756) approved October 26, 1949; as amended by S. L. 1951 Act 66 as amended by S. L. 1961 Act 134 is hereby amended to read as follows:

“FRANCHISE

Section 1. **Definitions.** The following words, wherever they are used or appear in this franchise, shall be construed to mean and be held to have the force and effect as follows:

(a) The ‘corporation’ shall mean, include and represent Hilo Electric Light Company, Limited as a body corporate under that or such other name as said company may hereafter adopt and its successors and assigns.

(b) The ‘public utilities commission’ shall mean and include any

officer, board or commission authorized or empowered to regulate public utilities under Revised Laws of Hawaii 1955, chapter 104, or any amendments thereto.

Section 2. Franchise. The corporation is hereby granted the right, authority and privilege to manufacture, sell, furnish and supply electric light, electric current or electric power on the island of Hawaii, State of Hawaii, for lighting the streets, roads, public and private buildings and property, or for motive power, or for any other purpose which it may deem advisable, and from time to time for the purposes above mentioned to construct, maintain, and operate suitable poles, lines, wires, cables, lamps, lamp posts, conductors, conduits and such other appliances and appurtenances as may from time to time be necessary or convenient for the transmission, distribution or supply of electricity to consumers thereof, under, along, upon and over the streets, sidewalks, roads, squares, bridges, alleys and lanes on said island, and to connect the same wires, lines and conductors with any manufactory, private or public buildings, lamps, lamp posts or other structure or object and the place or source of supply.

Section 3. Rules and regulations. The board of supervisors of the county of Hawaii is hereby authorized to make and from time to time to change, amend or add to reasonable rules regulating within the county of Hawaii the placing of poles and wires, the insulation of wires and apparatus carrying electric current, the excavation of conduits, and the maintenance in good repair of all poles, wires and apparatus, and generally concerning the manufacture and supply of electricity which may be necessary or proper for the public safety and welfare. If at any time the corporation, after reasonable notice given to it in writing, shall fail to observe or execute the rules and regulations hereinabove provided for relative to the placing of poles and wires, the insulation of wires and apparatus carrying electric current, and the repair of all poles and appliances, the board of supervisors of the county of Hawaii, after giving the corporation reasonable notice thereof in writing of its intention so to do, may proceed to enforce such rules regulating the placing of poles and wires, the insulation of wires and apparatus carrying electric current, the excavation of conduits, and the maintenance in good repair of all poles, wires and apparatus and make such repairs as may be necessary to enforce such rules, and the actual cost thereof may be recovered from the corporation by the county of Hawaii.

Section 4. Poles not to interfere with streets. All poles, lines, wires, cables, lamps, lamp posts, conductors, conduits and other apparatus, constructed, maintained or operated under, along, upon or over the streets, sidewalks, roads, squares, bridges, alleys and lanes on said island shall be so constructed and maintained and operated by the corporation as not to interfere unnecessarily with the use of such streets, sidewalks, roads, squares, bridges, alleys and lanes by the public.

Section 5. Plant subject to inspection. The entire plant, corporation books and accounts of the corporation shall at all times be subject to the inspection of the public utilities commission and the treasurer of the county of Hawaii.

Section 6. Meters and rates. The corporation shall have the right to maintain, operate and use electric meters or other means of measuring

electric light, power or current supply from time to time and to locate the same at such places as may be deemed necessary for determining the current supplied or to be supplied by the corporation. The corporation shall have the right to charge, receive and collect from all consumers of electricity such reasonable rates as may from time to time be fixed and determined by the public utilities commission.

Section 7. Extensions of lines and charges for making connections. The public utilities commission is hereby granted the power to order said corporation to make extensions of its service lines whenever it shall be made to appear that said extension is a public necessity and that the total plant of said corporation, including such extension or extensions, can be made to earn a reasonable profit on the cost and maintenance of same.

Section 8. Charges for making connections. The corporation shall have the right, subject to the approval of the public utilities commission, to charge consumers or applicants for the use of electricity for the cost and expense of making connections between the nearest line of supply and the premises where the electricity is to be used, such cost and expense to include the price of all wires, poles, insulators and other materials and labor necessary to be used in making such connections, the reasonableness of said charges upon the application of any party in interest to be subject to the approval of the public utilities commission.

Section 9. Rights to acquire property, limits to. The corporation shall have the right to acquire, hold or take over, either by purchase or lease, property, both real, personal or mixed, as may be necessary for the proper conduct of its business, but said corporation shall not have power or right to acquire the franchise or property of any other public utility company, except with the approval of the public utilities commission.

Section 10. Power to borrow money and bonds. The corporation whenever from time to time it shall be deemed expedient in the furtherance of the objects of the corporation shall have the power to borrow money and secure the payment thereof, with interest agreed upon, by mortgage of all or any part of its property, and this franchise; or, if it be deemed advisable, bonds may be issued, secured by deed of trust of such property and this franchise as aforesaid, not to exceed sixty per centum of the actual value thereof, together with all future acquired property and franchises, as well as the income and receipts of the property from whatever sources derived, and in such form and under such terms as said corporation may deem advisable; provided, that nothing in this section contained shall operate to prevent said corporation from obtaining the usual business credits or making promissory notes without security. No director or officer of the corporation, or any assignee or successor of the same, shall become interested, directly or indirectly, in any contract made by the corporation, its assignees or successors, in the construction of any part of the works, unless such contract is first approved by the public utilities commission.

Section 11. Franchise not exclusive. It is hereby expressly provided that nothing herein contained shall be construed to grant to the corporation an exclusive right to furnish, sell or supply electric current for light and power.

Section 12. Forfeiture of franchise. If said corporation, its representatives, successors and assigns, shall fail or refuse to do or perform or comply with any of the provisions of this franchise or the laws of the State of Hawaii, and continue to refuse or fail to perform or comply therewith after reasonable notice given by the public utilities commission to comply therewith, said public utilities commission may, with the consent of the governor and of the attorney general, cause proceedings to be instituted before any appropriate tribunal to have the franchise hereby granted and all rights and privileges accruing hereunder forfeited and declared null and void.

Section 13. Rules to enforce rates. The corporation shall have the right to discontinue or cut off the supply of electricity to any consumer who shall refuse to pay the amount due for electricity supplied by said corporation within such reasonable time as said corporation may, by general rules, fix for the payment of amounts due and such discontinuance of service or supply of electricity shall not be a bar to or prejudice the rights of the corporation in any remedy or remedies now or which may hereafter be authorized by law for the recovery and collection of the amount due.

Section 14. Annual statement, payment to government. The corporation shall, within one month after the expiration of each calendar year, file with the treasurer of the county of Hawaii, a detailed statement showing all of its receipts and expenditures during the preceding calendar year, and shall, at the time, pay to the treasurer of the said county of Hawaii, for and on behalf of said county, two and one-half per centum of the gross receipts of the corporation from all electric current or power furnished to consumers on the island of Hawaii during the preceding year; and all its books, papers, records and accounts shall at all reasonable times be open to inspection by the treasurer of said county, and his respective agents appointed for such purpose.

Section 15. Regulation. The corporation shall have all the powers and be subject to all of the liabilities provided by law for corporations and shall be subject in all respects to the provisions of Revised Laws of Hawaii 1955 chapter 104, or amendments thereto, and to all other laws relating to public utilities and all laws as may be applicable from time to time to electric light and power companies or the persons or corporations operating them; provided, however, that from every ruling, decision and/or order an appeal shall lie as provided by law.

Section 16. Amendment and repeal of franchise. This franchise may at any time be amended or repealed by the legislature of the State of Hawaii."

SECTION 2. The following Acts are hereby repealed:

- (1) S. L. 1895 Act 5, as enacted as law by S. L. 1935 Act 1.
- (2) S. L. 1917 Act 134, amended by S. L. 1919 Act 127 and S. L. 1921 Act 44, ratified, approved and confirmed by Act of Congress (42 Sts. at L. 185, c. 81) approved August 24, 1921.
- (3) S. L. 1919 Act 214.
- (4) S. L. 1919 Act 216, as enacted as law by S. L. 1935 Act 1.
- (5) S. L. 1921 Act 102.
- (6) S. L. 1923 Act 261.

- (7) S. L. 1929 Act 55, approved by Act of Congress (46 Sts. at L. 158, c. 134) approved April 12, 1930; as enacted as law by S. L. 1935 Act 1.
- (8) S. L. 1931 Act 256, approved by Act of Congress (47 Sts. at L. 61, c. 71) approved March 5, 1932; as enacted as law by S. L. 1935 Act 1.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 1096.**

ACT 131

An Act to Authorize the Department of Transportation to Enter Into Federal-Aid Highway Contracts Before the Necessary Funds Have Accrued.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Anything in section 9-36, Revised Laws of Hawaii 1955, as amended, to the contrary notwithstanding, between July 1, 1963 and the last day of the legislative session in 1965, any federal-aid highway contract shall be binding and of force if the director of the budget certifies that he anticipates the accrual of an amount in the highway fund sufficient to pay the State's share of the contract before the performance contracted for is completed.

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 1102.**

ACT 132

An Act Relating to Compensation of Teachers With Special Assignments, Vocational Agriculture and Technical School Teachers.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to grant work experience credit on the salary schedule to vocational agriculture and technical school teachers in order that the department of education can retain and attract the best qualified persons to the teaching profession.

SECTION 2. Subsection (b) of section 38-30, Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending paragraphs (7), (8) and (9) thereof to read as follows:

"(7) Technical Class I: Any teacher in class I or equivalent, as determined by the department of education, who is teaching technical school courses.

(8) Technical Class II: Any teacher in class II or equivalent, as determined by the department of education, who is teaching technical school courses.

(9) Technical Class III: Any teacher in class III or equivalent, as determined by the department of education, who is teaching technical school courses."

SECTION 3. The first paragraph of section 38-35, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 38-35. Teachers with special assignments; vocational agriculture and technical school teachers. Teachers with special assignments qualifying for the schedule in section 38-31 shall be rated the same as regular teachers, provided that in cases where the responsibilities are greater, the rate shall be increased proportionately by the department. In determining the rating of vocational agriculture and technical school teachers, the department may allow credit for practical experience."

SECTION 4. This Act shall take effect on September 1, 1963.

(Approved June 3, 1963.) **S.B. 1126.**

ACT 133

An Act Establishing Correctional Industries for the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. **Purpose.** Whereas the means now provided for the employment of prison labor are inadequate to furnish a sufficient number of prisoners with employment, it is hereby declared to be the intent of this Act:

1) To further provide more adequate, regular and suitable employment for the prisoners of this State, consistent with proper correctional purposes;

2) To further utilize the labor of prisoners for self-maintenance and for reimbursing this State for expenses incurred by reason of their crimes and imprisonment;

3) To effect the requisitioning and disbursement of prison products directly through established state authorities with no possibility of private profits therefrom.

4) To avoid direct competition and conflict between any correctional industrial activity and a like or similar private Hawaii industrial enterprise or business.

SECTION 2. **How cited.** This Act may be cited as the "Prison-Made Goods Act of 1963."

SECTION 3. **Establishment of industries at the state prison and other correctional facilities.** The state department of social services shall, with the advice and assistance of the department of planning and economic development, be responsible to study and evaluate any proposed or existing correctional industrial enterprise to determine if the enterprise conflicts with the orderly and planned economic development of the State of Hawaii. The department of social services shall:

1) Introduce productive industrial and agricultural enterprises in the prisons and institutions under the jurisdiction of the administrator of the corrections division in such volume and of such kinds as to eliminate unnecessary idleness among the inmates and to provide diversified work activities and pay to assigned inmates a daily wage of up to but not more than one dollar depending upon the degree of skill which will serve as means of vocational education as well as financial support.

2) Determine the advisability and suitability of establishing, ex-

panding, diminishing, or discontinuing any industrial or agricultural enterprise involving a gross annual production of more than twenty-five thousand dollars (\$25,000) value, but in no case more than three hundred fifty thousand dollars (\$350,000) value, and authorize or prohibit such action. The department shall determine the gross annual production, within the limit set above, of each new enterprise at the time of its establishment. The annual production so set shall not be increased until a public hearing concerning the proposed increase has been held before the department. It shall be the duty of the department annually, to adjust the maximum gross annual production value of three hundred fifty thousand dollars (\$350,000) permitted for each enterprise, the purpose of such adjustment being to keep said limit in balance with changes in population of state institutions and changes in cost of production and any conflict with private business.

An industrial enterprise with a gross annual production of over twenty-five thousand dollars (\$25,000) shall not be established without a public hearing. Public notice of the hearing shall be given prior to the hearing. The department may hold public hearings on any subject within its jurisdiction.

SECTION 4. Purchase of goods by state agencies and political subdivision. On and after the effective date of this Act all offices, departments, institutions and agencies of this State which are supported in whole or in part by this State shall purchase, and all political subdivisions of this State may purchase, to the extent of need and available supply, from the state department of social services all articles or products required by such offices, departments, institutions or agencies which are produced or manufactured by the state department of social services, by inmate labor, as provided for by this Act, and no such article or product shall be purchased by any such office, department, institution, or agency, from any other source unless excepted from the provisions of this section, as hereinafter provided. All purchases shall be made through the department of accounting and general services, upon requisition by the proper authority of the office, department, institution, agency or political subdivision of this State requiring such articles or products.

SECTION 5. Exceptions as to mandatory purchase requirement. Exceptions from the operation of the mandatory provisions of section four (4) hereof may be made in any case where, in the opinion of the director of the department of social services, the director of the department of accounting and general services, and the director of the department of budget and review, or a majority of them, who are hereby constituted a board for such purposes, the article or articles or product or products so produced or manufactured does or do not meet the reasonable requirements of or for such offices, departments, institutions, agencies or, in any case, where the requisition made cannot be reasonably complied with. No such office, department, institution or agency, shall be allowed to evade the intent and meaning of this section by slight variations from standards adopted by the department of social services when the articles or products produced or manufactured by it, in accordance with its standards, are reasonably adopted to the actual needs of such office, department, institution, or agency.

SECTION 6. Comptroller bound by voucher or warrant; intentional violation; penalty. No voucher, certificate, or warrant issued on the state comptroller by such office, department, institution, or agency shall be questioned by the state comptroller on the grounds that this Act has not been complied with by such office, department, institution, or agency, but if intentional violation of this Act by any such office, department, institution, or agency continues, after notice from the governor to desist, such shall constitute a malfeasance in office and shall subject the person or persons responsible for this violation to suspension or removal from office.

SECTION 7. Catalogues of articles and products made and produced; distribution; estimates of needs by departments, etc. The state department of social services shall cause to be prepared, at such times as it may determine, catalogues containing the description of all articles and products manufactured or produced by it pursuant to the provisions of this Act, copies of which shall be sent by it to all offices, departments, institutions and agencies of this State and made accessible to all political subdivisions of this State referred to in the preceding sections. At least thirty days before the commencement of each fiscal year, the proper official of each such office, department, institution, or agency, when required by the state department of social services, shall report to it estimates for such fiscal year of the kind and amount of articles and products noted in said catalogue and reasonably required for such ensuing year referring in such estimates to the catalogue issued by the state department of social services.

SECTION 8. Order of distribution of articles and products. The articles or products manufactured or produced by prison labor in accordance with the provisions of this Act shall be devoted, first, to fulfilling the requirements of the offices, departments, institutions, and agencies of this State which are supported in whole or in part by this State, and, secondly, to supply the political subdivisions, of this State with such articles and products.

SECTION 9. State department of social services to determine prices. The state department of social services shall determine the prices at which all articles or products manufactured or produced shall be sold; prices shall be uniform and nondiscriminating to all, and shall not exceed the wholesale market prices.

SECTION 10. Annual statements. The administrator of the corrections division, department of social services, shall annually make a full detailed statement of all materials, machinery, or other property procured, and the cost thereof, and the expenditures made during the past preceding year for manufacturing purposes, together with a statement of all materials then on hand to be manufactured, or in process of manufacture, or manufactured, and all machinery, fixtures or other appurtenances for the purpose of carrying on the labor of the prisoners and the earnings realized during the last preceding year as the proceeds of the labor of the prisoners at the correctional facilities of this State, which statement shall be verified by the oath of said administrator, and shall be by him forwarded to the director of the state department of social services within thirty days after the end of such preceding year.

SECTION 11. Rules and regulations. The state department of social services shall have power and authority to prepare and promulgate rules and regulations which are necessary to give effect to the provisions of this Act with respect to matters of administration and procedure respecting the same.

SECTION 12. Appropriation for buildings, equipment, etc., self-liquidating; contracts. In order to carry out the provisions of this Act, there is hereby appropriated out of the moneys in the state general fund, not otherwise appropriated, the sum of one dollar (\$1.00), and the state department of social services is authorized to expend such moneys from such appropriation as may be necessary to erect buildings, to purchase equipment, to procure tools, supplies and materials, to purchase, install or replace equipment, to employ personnel, and otherwise to defray the necessary expenses incident to the employment of prisoners as herein provided, and further to aid in the above purposes of the state department of social services, it is empowered to enter into contracts and agreements with any person or persons upon a self-liquidating basis respecting the acquisition and purchase of any such equipment, tools, supplies and materials, to the end that the same may be paid for over a period of not exceeding ten years, and the aggregate amount of such purchases or acquisitions not to exceed one hundred thousand dollars (\$100,000.00) unless the expenditure of any larger sum is specifically approved by the governor, such amounts to be payable solely out of revenues derived from the activities authorized by this Act.

SECTION 13. Revenue a special fund in state treasury; expenditure; limitation on amount; transfer of excess. All moneys collected by the state department of social services from the sale or disposition of articles and products manufactured or produced by prison labor in accordance with the provisions of this Act shall be forthwith deposited with the state comptroller to be there kept and maintained as a special revolving account designated "correctional industries account," and such moneys so collected and deposited shall be used solely for the purchase of supplies, equipment, machinery and the construction of buildings used to carry out the purposes of this Act, as well as for the salaries of the necessary personnel in charge thereof and to otherwise defray the necessary expenses incident thereto, all of which shall be under the direction and subject to the approval of the state department of social services; provided, that such "correctional industries account" shall never be maintained in excess of the amount necessary to efficiently and properly carry out the purposes of this Act. When, in the opinion of the governor, the "correctional industries account" has reached a sum in excess of the requirements of this Act, such excess shall be transferred by the state department of social services to the state general fund.

SECTION 14. Sale of prison-made goods on open market. On and after the effective date of this Act, it shall be unlawful to sell or offer for sale on the open market of this State any articles or products manufactured or produced wholly or in part under the provisions of this Act.

SECTION 15. Penalties. Any person who wilfully violates any of the provisions of this Act, shall be guilty of a misdemeanor and, upon conviction, shall be confined in jail not more than one year, or fined not more than \$1,000 or both.

SECTION 16. Inconsistent acts repealed. All acts and parts of acts inconsistent herewith are hereby repealed; however, this Act is to be considered as supplementary, or additional, to other provisions of law now existing relative to the employment of prisoners.

SECTION 17. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 1129.**

ACT 134

An Act to Provide for the Construction of Water Systems by the District Improvement by Assessment Method.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 138 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section to be appropriately numbered and to read as follows:

"Sec. County water systems; improvement by assessment. Any other law to the contrary notwithstanding, it shall be lawful for any county to construct water systems by use of the improvement by assessment method, provided that nothing herein shall be construed to prevent any county or board of water supply from constructing such improvements by its own funds."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 1142.**

ACT 135

An Act Relating to the Public Lands of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section -17(c) as listed under section 2, Act 32, Session Laws of Hawaii 1962 is hereby amended to read as follows:

"(c) Repurchase. In the repurchase of any land by the board, the board shall have the option to repurchase such land for the original sales price or the fair market value at the time of repurchase, whichever is the lower. At the time of the repurchase, the fair market value shall be determined by said qualified appraiser whose services have been contracted for as provided herein; provided, however, should the owner fail to agree upon such value, he may appoint his own appraiser who together with the board's appraiser shall appoint a third appraiser, and the value shall be determined by arbitration as provided in chapter 188. The owner shall pay for his own appraiser and the cost of the third appraiser shall be borne equally."

SECTION 2. There shall be added to section -17 a new subsection to read as follows:

"(d) Reopening. In the event of reopening of the rental to be paid on a lease, the rental for any ensuing period shall be the rental for the

immediately preceding period or the fair market rental at the time of reopening, whichever is the higher. At the time of the reopening, the fair market rental shall be determined by said appraiser whose services have been contracted for as provided herein; provided, that should the lessee fail to agree upon such fair market rental, he may appoint his own appraiser who together with the board's appraiser shall appoint a third appraiser and the fair market rental shall be determined by arbitration as provided in chapter 188. The lessee shall pay for his own appraiser and the cost of the third appraiser shall be borne equally."

SECTION 3. The existing subsections "(17d)" and "(17e)" are accordingly retitled "(17e)" and "(17f)" respectively.

SECTION 4. The second paragraph of section -3 is hereby deleted in its entirety.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 1174.**

ACT 136

An Act Relating to the Licensing of Automobile Dealers and Salesmen.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The third paragraph of section 14A-14 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the comma between the phrases "real estate license commission" and "board of veterinary examiners", adding the word "and" between the two phrases and deleting the words "and motor vehicle dealers licensing boards in each of the four counties".

SECTION 2. Section 160-162 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 160-162. County boards. A motor vehicle dealers licensing board is created for each of the counties. For each county with a population of 200,000 or more, the board shall consist of five members; for each county with a population of less than 200,000, the board shall consist of three members. The elected executive head of each county, or any duly elected or appointed successor, shall nominate, and by and with the advice of the legislative body of the county, shall appoint the members of the boards. The board shall designate one of its members as chairman. Each member shall have been engaged in the business of selling at retail, or negotiating for the purchase of motor vehicles in the State for a period of at least one year preceding the date of his appointment. For each county with a population of 200,000 or more, three of the members shall be, or shall have been, engaged as dealers primarily in the sale of new motor vehicles, one of the members shall be, or shall have been, engaged primarily in the sale of used motor vehicles, and one of the members shall be solely and exclusively engaged as a salesman of new or used motor vehicles. For each county with a population of less than 200,000, two of the members shall be, or shall have been, engaged primarily as new motor vehicle dealers, and one

of the members shall be solely and exclusively engaged as a salesman. The board shall designate one of its members as chairman.

The members of the boards who are holding office on the effective date of this Act shall continue in office in the same manner and for the same time as if this Act had not become law, but their successors shall be nominated and appointed, and shall hold office, as provided in this Act. Each appointment shall be for a term of four years. However, in the first instance where the elected executive head of the county, or any duly elected or appointed successor, nominates a successor to any member of the board in his county who had been appointed by the governor, including the case where the former member is nominated to succeed himself, such successor shall be nominated and if confirmed, appointed for a term for such duration, but no longer than four years, as will provide for a board whose members hold staggered terms with no more than two terms expiring each year in the case of five member boards and no more than one term expiring each year in the case of three member boards. Thereafter each member shall be appointed for a term expiring four years from the date of expiration of the term of his predecessor, or, in case of a vacancy, for the remainder of the unexpired term. The members of the board shall serve without compensation."

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 1184.**

ACT 137

An Act Relating to the Hawaii Motor Carrier Act, and Amending Chapter 106C of the Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 106C-7 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending subsection (a) (3) to read as follows:

"(3) To establish for private carriers of property by motor vehicle and other persons and operations exempted under section 106C-5 of this chapter reasonable requirements to promote safety of operations and equipment as provided in subsections (1) and (2) hereof, including such requirements for hours of service as may be determined by the commission to be applicable to conditions existing in the State or to particular sections of the State. The term 'motor carrier' shall be construed to include private carriers of property by motor vehicle and other persons and operations exempted under section 106C-5 of this chapter, in the administration of sections 106C-7(c), 106C-23(e), 106C-25, 106C-29 and 106C-34."

SECTION 2. Section 106C-5, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new subsection to be appropriately lettered and to read as follows:

"() Persons engaged in the ranching or meat or feed business who transport cattle to slaughterhouses for hire where such transportation

is their sole transportation for hire and where their earnings from such transportation constitute less than fifty per cent of their gross income from their business and such transportation for hire."

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 1188.**

ACT 138

A Bill for an Act Providing for Party Primary Elections, Amending Chapters 11 and 149 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 11-90, Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the definition of the word "Primary" and substituting therefor the following:

"'Primary', a preliminary election in which voters directly nominate the candidates of the parties for their respective offices."

SECTION 2. Section 11-94, Revised Laws of Hawaii 1955, as amended is hereby amended by deleting from the first sentence of the second principal paragraph the following:

"; provided, that those filed for nonpartisan candidates may omit the words 'and members of the party,' and the certificate at the foot thereof." and by adding a period after the word "thereon" in line two thereof, and is further amended by adding the following paragraph after the last paragraph:

"Nomination papers shall not be filed in behalf of any person for more than one party."

SECTION 3. Section 11-95, Revised Laws of Hawaii 1955, is hereby amended by deleting the section in its entirety and section 11-94.5, Revised Laws of Hawaii 1955, as amended, is hereby further amended by renumbering said section to section 11-95.

SECTION 4. Section 11-96, Revised Laws of Hawaii 1955, is hereby amended by deleting the section in its entirety and substituting therefor the following:

"**Sec. 11-96. Party candidates.** Nomination papers for offices to be voted for at a primary election shall be accepted only from those candidates who have a party designation."

SECTION 5. Section 11-98, Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the section in its entirety and substituting therefor the following:

"**Sec. 11-98. List of candidates.** At least fifteen days before any primary, the lieutenant governor shall transmit to each county clerk certified lists containing the names of all persons, with their party designation, for whom nomination papers have been duly filed in his office and who are entitled to be voted for in the county at the primary, also designating the office for which each is a candidate.

The county clerk shall, at least twelve days before any primary, prepare lists containing the names of all persons, with their party

designation, for whom nomination papers have been duly filed in his office, and who are entitled to be voted for in the county at the primary, also designating the office for which each is a candidate.

The clerk shall transmit without delay to each candidate named in the lists a true copy of such lists."

SECTION 6. Section 11-99, Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the section in its entirety and substituting therefor the following:

"Sec. 11-99. Official party ballots. There shall be only one primary ballot for each party containing the names of all persons to be voted for, and the offices for which they are candidates, including United States Senators, members of the United States House of Representatives, governor, lieutenant governor, state senators, state representatives, and the appropriate county and city and county officers. The ballot shall be printed upon paper of uniform weight, shape and thickness, but the primary ballots of no two parties shall be of the same color or tint; provided that where voting machines are used, it shall be set up so that each machine shall contain only one party's candidates with an equal number of machines for each of the parties at each precinct which uses machines. Before being finally printed by the respective county clerks, sample ballots or proofs thereof shall be submitted to the lieutenant governor for his approval as to uniformity of size, weight, shape and thickness and differentiation of color or tint for the respective party ballots, which approval must be obtained and shall be final. In the case of voting machines, all candidates of one office shall be listed in a single row either vertically or horizontally as the case may be.

The names and only the names of all candidates shall be printed on their respective party ballots in alphabetical order, with their Hawaiian equivalents, if requested as hereinbefore provided. The ballots, shall be distributed by the county clerk within the intervals of the time and in the manner required by the general election and county election laws as to state and county ballots and shall conform in all other respects except as otherwise required by this part, to the requirements of law governing general elections.

At the top of the primary ballot shall be printed in large capital letters, words designating the ballot; if a Democratic ballot, the designating words shall be "DEMOCRATIC PRIMARY BALLOT", if a Republican ballot, the designating words shall be "REPUBLICAN PRIMARY BALLOT", and in the like manner for each party.

The primary ballots shall be in such form as may be prescribed by the lieutenant governor not inconsistent with the provisions of this part and other provisions of law, and shall conform to the requirements of the several districts and counties."

SECTION 7. Section 11-100, Revised Laws of Hawaii 1955, as amended, is hereby further amended as follows:

(a) The words "a specimen ballot" shall be deleted and the words "specimen ballots" shall be substituted therefor;

(b) The words "a copy" shall be deleted wherever they appear and the word "copies" shall be substituted therefor;

(c) The words "the official ballot" shall be deleted and the words "official party ballots" shall be substituted therefor.

SECTION 8. Section 11-101, Revised Laws of Hawaii 1955, is hereby amended by adding at the end thereof a new sentence to read as follows:

"In all primary elections held in 1970 and subsequently the clerk shall include on the list of duly qualified electors information to show the party ballot selected by each of such electors at the next preceding primary election or the registered change of party ballot selection by any such elector."

SECTION 9. Section 11-102, Revised Laws of Hawaii 1955, is hereby amended by deleting the second paragraph thereof and substituting the following:

"Any person desiring to vote at a primary shall state his name, residence and party preference to the inspectors of election. If the person desiring to vote is not challenged, one of the inspectors shall give to him one and only one official primary ballot of the party designated folded in a uniform manner so that the contents thereof shall be concealed, or direct him to the appropriately marked machine of the party of his choice. The voter shall proceed into one of the compartments provided for the purpose and therein mark the ballot. In the instance of a paper ballot, he shall then refold the ballot in the same folds as it was handed to him and return it to an inspector. The marked ballot shall immediately be placed in the ballot box provided for the purpose."

SECTION 10. Chapter 11, part II, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section to be designated and to read as follows:

"Sec. 11-102.5. Primary voting regulation. No person shall be entitled to vote at a primary election who shall refuse to state his party preference as required by this part.

In any primary election in the year 1970 and thereafter, no person shall be entitled to select a party ballot other than the one he selected at the next preceding primary election in which he voted, unless, prior to three months preceding the primary election in which such ballot is to be selected, he has registered with the county clerk to change his selection of party ballot to that party ballot which he now chooses to select. If a person did not vote in the next preceding primary election he shall be entitled to select any one party ballot.

Any provision in this Act to the contrary notwithstanding, at all primary elections to be held prior to the year 1970, all duly registered voters shall be entitled to select any one party primary ballot without being restricted by a selection of ballot at any previous primary election.

The several boards of inspectors shall transmit to the county clerks, immediately after every primary election, the list of voters furnished by the county clerk and a list showing the names of all who voted in the primary; provided, however, that after each primary election held in the year 1968 and thereafter, said lists of all who voted shall also show the party ballot selected by each voter."

SECTION 11. Section 11-103, Revised Laws of Hawaii 1955, is hereby amended by deleting the second sentence thereof and substituting the following:

"The challenge shall be on the grounds that the elector is not the person he alleges himself to be, that the elector is not entitled to vote in that precinct, or that the elector is not entitled to vote on the grounds specified in section 11-102.5."

SECTION 12. The first sentence of section 11-104, Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the sentence in its entirety and substituting therefor the following:

"Immediately upon the closing of the polls at the primary the inspectors shall count the votes cast, in the same manner as provided by law for the counting of votes at an election."

SECTION 13. Section 11-105, Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the first paragraph therefor and substituting the following:

"The person receiving the greatest number of votes at a primary as a candidate of a party for an office shall be the candidate of the party at the following election; provided, that any candidate for any county office who is the sole candidate for such office at the primary election, or who is only opposed by a candidate or candidates running on his own party ticket and is not opposed by any candidate running on any other ticket and is nominated at such primary as his party's candidate for such office, shall, after such primary, be deemed and declared to be duly and legally elected to the office for which he is a candidate at such primary, regardless of the number of votes received by him."

SECTION 14. Section 149-33, Revised Laws of Hawaii 1955, is hereby amended by deleting the third sentence thereof and substituting the following:

"The primary ballot of each party shall be separately printed upon paper of uniform weight, shape and thickness, but the primary ballots of no two parties shall be of the same color or tint; provided that when voting machines are used, they shall be set up so that each machine shall contain only one party's candidates with an equal number of machines for each of the parties at each precinct which uses machines. Primary ballots shall conform in all other respects, except as otherwise required by chapter 11, part II, Revised Laws of Hawaii 1955, as amended by this Act, to the requirements of law governing general elections. The primary ballot of each party shall be arranged and printed so as to display conspicuously designating words. At the top of the ballot shall be printed in large capital letters, words designating the ballot; if a Democratic ballot, the designating words shall be "DEMOCRATIC PRIMARY BALLOT", if a Republican ballot, the designating words shall be "REPUBLICAN PRIMARY BALLOT", and in like manner for each party."

SECTION 15. Section 11-51, Revised Laws of Hawaii 1955, is hereby amended by deleting said section in its entirety and substituting therefor the following:

"**Sec. 11-51. Method of folding ballot.** Before delivering a ballot to a voter, the inspector shall fold it in such manner as prescribed by the clerk of the several counties, so as to conceal the contents thereof."

SECTION 16. This Act shall not apply to the election of non-partisan

officers nor shall it apply to any matter not involving party candidates.

SECTION 17. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 12.**

ACT 139

A Bill for an Act Relating to the Disclosure of Finance Charges in Connection With Consumer Loans and Credit.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Amend the Revised Laws of Hawaii 1955, as amended, by adding thereto chapter 191A to be numbered and to read as follows:

"CHAPTER 191A DISCLOSURE OF FINANCE COSTS

Sec. 191A-1. Definitions. As used in this chapter:

'Credit' means any loan, residential mortgage, deed of trust, advance or discount; any contract to sell, or sale, or contract of sale of property or services, other than a retail installment sales contract either for present or future delivery, under which part or all of the price is payable subsequent to the making of such a sale or contract; any rental-purchase contract; any contract or arrangement for the hire, bailment, or leasing of property; any option, demand, lien, pledge, or other claim against, or for the delivery of, property or money; any purchase, discount, or other acquisition of, or any credit upon the security of, any obligation or claim arising out of any of the foregoing; and any transaction or series of transactions having a similar purpose or effect.

'Finance charge' means interest, fees, service charges, discounts, and such other charges incident to the extension of credit as prescribed by the treasurer.

'Creditor' means any person engaged in the business of extending credit, including any person making loans or selling or renting property or services on a time, credit or installment basis, either as principal or as agent, who requires, as an incident to the extension of credit, the payment of a finance charge.

'Person' means any individual, corporation, partnership, association or other organized group of persons, or the legal successor or representative of the foregoing, but excludes the United States, or any agency thereof, or the State or any of its political subdivisions, or any agency thereof.

Sec. 191A-2. Disclosure of finance charges. Every creditor shall furnish to each person to whom credit is extended, before the consummation of the transaction, a clear statement in writing setting forth, to the extent applicable and in accordance with rules and regulations prescribed by the treasurer, the following information:

(a) the amount loaned, the cash price or delivered price of the property or services to be acquired;

(b) the amounts, if any, to be credited as downpayment or trade-in, itemizing the amounts paid in money and in goods and containing a

brief description of the goods, if any, traded-in;

(c) the difference between items (a) and (b);

(d) the charges, individually itemized, which are paid or to be paid by such person in connection with the transaction but which are not incident to the extension of credit; as for example, insurance and other benefits, specifying the coverages and benefits; or fees required by a governmental agency for filing, recording, registering, etc.;

(e) the total amount to be financed;

(f) the finance charge expressed in terms of dollars and cents or the percentage that the finance charge bears to the total amount to be financed expressed as a simple monthly or annual rate.

Sec. 191A-3. Regulations. The treasurer shall prescribe rules and regulations according to the provision of the Hawaii Administrative Procedure Act necessary or proper in carrying out the provisions of this chapter. The treasurer may exempt those credit transactions between business firms when he determines that disclosure requirements of this chapter are not necessary to carry out the purposes of this chapter.

Sec. 191A-4. Action for damages and penalties. (a) Any creditor who in connection with any credit transaction fails to disclose to any person any information in violation of this chapter, or any rule or regulation issued thereunder, shall be liable to such person in the amount of \$1,000, or in an amount equal to triple the finance charge required by such creditor in connection with such transaction, whichever is the lesser. Action to recover such damages may be brought by such person, within one year from the date of the occurrence of the violation, in any court of competent jurisdiction. In any action under this paragraph, the creditor who is in violation of any provision of this chapter shall be liable for reasonable attorney's fees and costs as determined by the court.

(b) Except as specified in paragraph (a) of this section, nothing contained in this chapter or any rule or regulation thereunder shall effect the validity or enforceability of any contract or transaction.

(c) Any person or any officer or agent of a corporation who willfully violates any provision of this chapter or any rule or regulation thereunder in addition to the liability provided for in paragraph (a) of this section shall be fined not more than \$1,000, or imprisoned not more than one year, or both."

SECTION 2. Applicability. Nothing in this chapter shall be construed to repeal, modify or amend any other provision of law relating to disclosure unless specifically set forth herein.

SECTION 3. Effective date. This Act shall take effect on January 1, 1964.

(Approved June 3, 1963.) **H.B. 13.**

ACT 140

A Bill for an Act Relating to State Scholarships to the University of Hawaii, and Amending Sections 44-12 and 44-15, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 44-12, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Sec. 44-12. Scholarships. The board of regents shall each year award scholarships to students in such necessitous circumstances that in the judgment of the university they would otherwise be unable to attend the university. To qualify for such a scholarship, a student must be a bona fide resident of the State for the five consecutive years immediately preceding the term for which a scholarship is desired. The board of regents is authorized to adopt the necessary rules and regulations defining bona fide resident.

SECTION 2. Section 44-15, Revised Laws of Hawaii 1955, as amended, is hereby amended in the following respects:

(a) The words "two hundred and thirty-six" are deleted in the first sentence and the words "two hundred and fifty-six" are substituted in lieu thereof;

(b) The word "twenty" is deleted in the second sentence and the word "forty" is substituted in lieu thereof; and

(c) The phrase which reads "The maximum number of scholarships among the several senatorial districts at any one time shall be as follows:" is deleted and the phrase "Of the two hundred sixteen scholarships which shall be distributed among the several senatorial districts, the maximum number available in any one district shall be as follows:".

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 15.**

ACT 141

A Bill for an Act Relating to the Establishment, Administration and Taxation of Tree Farm Property.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. **Statement of policy.** It is the intent and purpose of the legislature that by encouraging the establishment of tree farms, (1) lands which are suitable only for growth of trees will be put to productive use; (2) the economic development of the State will be enhanced; and (3) ultimately the tax base will be broadened.

SECTION 2. **Definitions.** When used herein:

(a) "Board" means the board of land and natural resources.

(b) "Department" means the department of land and natural resources.

(c) "Stumpage value" means the value that a willing buyer will pay

to a willing seller per thousand board feet for trees standing and uncut. This value shall not include logging costs.

(d) The term "owner" shall include any person leasing the real property of another under a lease having a stated term of not less than thirty years.

SECTION 3. Eligibility. Any property of not less than thirty acres is eligible for classification as tree farm property if it is suited for the raising of trees of commercial specie in quantity sufficient to establish a business in the sale thereof and not suited for some higher and better use. Property on which the owner is already growing trees of commercial specie (in quantity sufficient to establish a business in the sale thereof) under good forestry management practices and which the owner agrees to manage in accordance with rules and regulations prescribed by the board may also be classified as tree farm property. Additional noncontiguous property of fifteen acres or more, under the same ownership and in the same vicinity, may be eligible for classification with the main acreage sought to be so classified.

No real property held by an owner under a lease having an unexpired term of less than thirty years shall be eligible for classification as tree farm property.

SECTION 4. Applications. The owner of any property which complies with the requirements specified in section 3 may apply to the board for classification of his property as tree farm property. The application shall include a description of the property and such additional information as may be required by the board. Such application shall state that all persons having any interest in or holding any encumbrance upon the property have joined in making the application and that all of them will comply with the laws and regulations relating to the use, development and protection of the trees and the property and those relating to the harvesting and removal of forest products.

SECTION 5. Classification. If the board finds that the property identified in the application is suitable for the raising of trees of commercial species, in quantity sufficient to establish a business in the sale thereof, the board shall notify the department of taxation, in writing and by September 1, of its finding. Then the department of taxation shall, by November 15, make a finding of fact as to the highest and best use of the property and shall inform the board of its findings in writing. Such determination as to the highest and best use of the property shall be based upon all available information on soils, climate, land use trends, watershed values, present use of surrounding similar lands and other criteria as may be appropriate.

If the department of taxation finds that the highest and best use of the property is for the raising of trees of commercial species in quantity sufficient to establish a business in the sale thereof, the property shall be classified by the board and the department of taxation as tree farm property. If the department of taxation does not find that the highest and best use of the property is for the raising of such trees in such quantity, the application shall be disapproved.

The applicant may appeal any disapproved applications as in the case of an appeal from an assessment.

Lands classified as tree farm property shall be administered by the board. The board may from time to time, make such rules and regulations for their administration.

SECTION 6. Agreement with owner. Upon classification, the board shall be responsible for preparing, executing and administering an agreement with the applicant and others having an interest in or encumbrance upon the tree farm property. The agreement shall be for a period of not less than thirty years but shall contain, inter alia, the following conditions:

(a) the agreement shall be cancelled and terminated and the tree farm property shall thereby be declassified and become subject to the conditions specified in section 9 of this Act if, upon investigation by the department, the board determines that the owner of the property is not complying with the provisions of this Act or the agreement.

(b) any owner of tree farm property desiring to withdraw all or part of such property from the operations of this Act may at any time make written application to the board and such application shall be approved subject to the conditions specified in section 9.

(c) the owner shall develop and maintain trees of commercial specie, as determined by the department, either through planting or reproduction and in accordance with rules and regulations of the department.

The agreement shall also contain such other terms and conditions as deemed advisable by the board.

SECTION 7. Development and maintenance of tree farm property. Within one year following the agreement described in section 6, the applicant shall have established trees of the species designated in the agreement on not less than one-fortieth of the acreage in the entire tree farm property, or five acres, whichever is larger. On property adequately stocked with commercial trees at the time of classification, the owner shall, within one (1) year of the classification apply such forestry measures as may be deemed necessary by the board to not less than one-fortieth of the acreage, or five acres, whichever is larger. Each year subsequent to the first year, the owner must apply good forestry management practices, as prescribed by the board, on additional equivalent acreage until such time as all the property classified as tree farm property is under good forestry management practices.

Following the cutting of forest products from tree farm property, a period of three years shall be allowed the owner to obtain adequate stocking or restocking of trees of commercial specie on the property and if after a period of three years the owner has not established a stand of commercial timber thereon in accordance with the rules and regulations of the board, such property shall be declassified from its status as tree farm property.

SECTION 8. Exemption from real property tax. Any property classified as tree farm property by the board and the department of taxation shall not, as long as the agreement described in section 6 is in effect, be subject to the real property tax set forth in chapter 128 of the Revised Laws of Hawaii 1955 as amended, provided, however, that this exemption shall take effect as of January 1 of the year following the execution of such agreement.

SECTION 9. Declassification. Upon declassification by the board, for any reason, of all or any portion of any tree farm property, the board shall notify the owner and the department of taxation of such declassification. In that event, the department of taxation

(a) shall cancel the exemption from property taxes provided by this Act retroactive to the date that the property became exempt from real property taxes as provided by section 8 hereof and the property taxes that would have become due and payable (but for the exemption) for all the years that such exemption was in effect shall become immediately due and payable together with a five per cent per annum penalty from the respective dates that those tax payments would otherwise have been due;

(b) shall assess the total stumpage value of the commercial trees then growing or standing on such property, in its entirety, to the owner or owners thereof and shall levy the yield tax described in section 10 of this Act, which tax shall become immediately due and payable;

(c) shall thereafter assess and tax such declassified property and the owners thereof as provided in chapter 128 of the Revised Laws of Hawaii 1955 as amended.

Willful destruction of all or any portion of the tree farm property by any owner thereof shall be grounds for declassification but destruction thereof or damage thereto by causes or persons beyond the control of the owner or owners shall not be construed as willful action or negligence of the owner.

If, upon declassification of any portion of tree farm property, the property in the same vicinity remaining classified as tree farm property is not thirty acres or more, all of such remaining tree farm property shall also be declassified.

Failure to extend or renew the agreement described in section 6 shall result in the return of such tree farm property to taxable status.

SECTION 10. Yield tax; returns; payment; collection. Upon harvesting of the trees for commercial purposes, the owner shall, on forms provided by the department of taxation, file monthly returns showing the total stumpage value of the trees cut during the preceding month, together with such other information as may be required.

There shall be annually assessed upon and collected from the owner or owners of the trees cut a yield tax equal to five per cent of the stumpage value of the merchantable trees cut. This tax shall be in lieu of all real property taxes and all general excise taxes set out in chapters 128 and 117, respectively, of the Revised Laws of Hawaii 1955 as amended. However, returns required hereunder shall be filed, taxes levied hereunder (including penalties and interest thereon) shall be enforced, paid and collected, and records shall be kept by taxpayer and shall be open to inspection, all in the same manner required of general excise taxes as provided in said chapter 117, except that the stumpage value shall be the value upon which the yield tax shall be computed, levied and collected.

All trees cut on tree farm property shall be subject to the yield tax except trees cut by the owner for use in the harvesting of trees or for other use by the owner of the tree farm property, provided, however, that if such trees are sold or conveyed to the ownership or control of

other persons or transferred onto other property, they shall be subject to the yield tax.

SECTION 11. Determination of marketability; harvesting. When, as determined by the department, the trees growing or standing on any tree farm property become suitable for marketing, the trees shall be harvested for sale or other income producing disposition within five years after such determination is made, provided, however, that no such determination shall be made within ten years after classification of the property as tree farm property. If such trees are not harvested for sale or other income producing classification within said five years, the property upon which they are growing or standing shall be declassified from its status as tree farm property.

SECTION 12. Additional lands. An owner of land may at any time apply to the board to have more acreage classified as tree farm property subject either to a new agreement or to the original agreement; provided that if such land is in the same vicinity of the original tree farm property and the area is less than five hundred acres it shall become a part and parcel of the original tree farm property and shall be subject to the terms of the original agreement.

SECTION 13. Appeals. Any person aggrieved by any assessment of the yield tax for any month or any year may appeal from the assessment in the manner and within the time and in all other respects as provided in the case of income tax appeals by section 121-46, provided that the tax so assessed shall have been paid.

SECTION 14. Effective date. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 20.**

ACT 142

A Bill for an Act Relating to the Taxation of Real Property.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 128-2, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Sec. 128-2. Tax base and rate. Except as exempted or otherwise taxed, all real property in each county shall be subject each year to a tax upon its fair market value determined in the manner provided by law, at such rate as shall be determined in the manner provided in section 129-2. However, the director of taxation may use as the tax base a percentage of fair market value; if he does so he shall certify to the board of supervisors or city council the percentage so used at the time he furnishes the board the calculations as to the tax base pursuant to section 129-2(f), and if he does not do so he shall certify to the board that he has used one hundred per cent of fair market value as the tax base. Both as to the calculations as to the tax base and also as to the percentage of fair market value used as the tax base, the director's certificate to the board shall be conclusive upon the county and further

shall be conclusive insofar as the validity of any tax rate is concerned, except for the right to appeal assessments of real property as may be provided by law. Whether the director uses as the tax base one hundred per cent of fair market value or some other percent of fair market value, no taxpayer shall be deemed aggrieved by an assessment, nor shall an assessment be lowered, except as the result of a decision on an appeal as provided by law."

SECTION 2. Section 128-4, Revised Laws of Hawaii 1955, is hereby amended by adding at the end of the second paragraph the following sentence:

"Lessees holding any real property under a lease for a term of fifteen years or more and having an option granted by the lease or conferred by law to purchase the fee, and persons holding any real property under an agreement to purchase the same, shall be considered as owners during the time the real property is held or controlled by them as such; provided the lease or the agreement to purchase (1) shall have been recorded in the bureau of conveyances, and (2) shall provide that the lessee or purchaser, as the case may be, shall pay the real property taxes levied on the property."

SECTION 3. Section 128-9, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Sec. 128-9. Valuation; considerations in fixing. (a) The director of taxation shall cause the fair market value of all taxable real property to be determined and annually assessed as provided by law. In making such determination and assessment, the director shall separately value and assess, within each class established in accordance with subsection (d) of this section, (1) buildings, and (2) all other real property, exclusive of buildings.

(b) All property shall be valued by appropriate systematic methods so selected and applied as to obtain, as far as possible, uniform and equalized assessments throughout the State.

(c) So far as practicable, records shall be compiled and kept in each division which shall show the methods established by or under the authority of the director of taxation, for the determination of values.

(d) The land in each county shall be classified, upon consideration of its highest and best use, into the following general classes: (1) single family and two family residential, (2) three or more family apartment and hotel and resort, (3) commercial, (4) industrial, (5) agricultural, and (6) conservation. In assigning land to one of the general classes the director of taxation shall give consideration to the districting established by the land use commission pursuant to chapter 98H, the districting established by a county in its general plan and zoning ordinance, use classifications established in the general plan of the State, and such other factors which influence highest and best use.

(e) The director of taxation shall select and require the use of mathematical tables or formulas based upon a suitable unit of quantity and designed to determine equitably the effect, upon the value, of street or highway frontages, depth from the street or highway, shape, street corners, and other physical elements the effect of which upon value the director of taxation finds feasible to determine by means of tables or formulas. These tables or formulas shall be used for all areas where

this can be done appropriately, and in any event as provided in the next paragraph.

Whenever land has been divided into lots or parcels which are used or suitable for use for residential, commercial or other urban or village purposes, each such lot or parcel shall be separately assessed, and the aforesaid mathematical tables or formulas shall be used unless this is precluded by the shape of the lots or parcels.

(f) In determining the value of land, consideration shall be given to selling prices and income (including, where available, such data relating to the property being assessed and similar data for comparable properties), productivity and nature of use (actual and potential), the advantage or disadvantage of factors such as location, accessibility, transportation facilities, size, shape, topography, quality of soil, water privileges, availability of water and its cost, easements and appurtenances, zoning, dedication of lands as provided for in section 128-9.2, and further to the opinions of persons who may be considered to have special knowledge of land values, and all other influences, whether similar to those listed or not, which fairly and reasonably bear upon the question of value.

(g) Buildings shall be valued each year upon the basis of the cost of replacement less depreciation, if any. Age, condition and utility or obsolescence shall be considered. The director of taxation shall determine and require the use of average-basic replacement cost factors."

SECTION 4. Section 128-10, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Sec. 128-10. Nontaxable property. For purposes of accountability, the director of taxation shall assess at the nominal sum of one dollar each parcel of real property in each division which is completely exempt from taxation."

SECTION 5. Chapter 128 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new section to be appropriately numbered and to read as follows:

"Sec. 128- Assignment of partial exemptions. Unless otherwise specifically provided, allowable exemptions shall be applied first to the value of the buildings on the land and the remainder of the unused exemption, if any, to the value of the land."

SECTION 6. Section 128-27, Revised Laws of Hawaii 1955, as amended, is hereby amended by amending the first sentence to read as follows:

"Sec. 128-27. Notice of assessments; addresses of persons entitled to notice. Each year, on or before March 10, the director of taxation shall give notice of the assessments for such year against each known owner, by personal delivery to such owner or by mailing to him on or before such date postage prepaid and addressed to him at his last known place of residence or address a written notice identifying the property involved by the tax key and the general class established in accordance with subsection 128-9(d) and setting forth separately the valuation placed upon buildings, and the valuation placed upon all other real property, exclusive of buildings, determined pursuant to the provisions of section 128-9(a), the exemption, if any, allowed or denied, as the case may be

and the amount of the exemption applied to the buildings and the amount applied to all other real property, exclusive of buildings, and the net taxable value of the buildings and the net taxable value of all other real property, exclusive of the buildings.”

SECTION 7. Section 128-28, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

“**Sec. 128-28. Assessment lists.** On or before March 31 of each year the director of taxation shall have prepared from the records of taxable properties maintained in each division a list in triplicate of all assessments made for each district in such division, which list shall be signed and sworn to by the person preparing it. Such assessment list shall identify the property assessed by its tax key and shall set forth the general class of the property established in accordance with subsection 128-9(d), the valuation of buildings and the valuation of all other real property, exclusive of buildings, the amount of exemption allowed on buildings and the amount of exemption allowed on all other real property, exclusive of the buildings, and the net taxable value of the buildings and the net taxable value of all other real property, exclusive of the buildings. Such assessment list shall be the lists in accordance with which taxes shall be collected, subject only to change made by any court or other tribunal having jurisdiction, where appeals from assessments have been duly taken and prosecuted to final determination, and subject to section 115-26. There shall be noted upon such lists all appeals taken for such year and the amounts involved in each case. The original of the assessment lists shall be retained by the assessor and a duplicate of the information contained in the list shall be retained by the director. The lists may be made up of a separate sheet or card for each property. The director shall furnish a duplicate list to the county in such form and at such time as will not interfere with the preparation of those records needed for tax collection purposes.”

SECTION 8. Section 129-2, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

“**Sec. 129-2. Real property tax; determination of rates.** (a) Unless a different meaning is clearly indicated by the context, as used in this section:

(1) “Net taxable lands” means all other real property exclusive of buildings.

(2) “Net taxable real property” or “net taxable buildings” or “net taxable lands” means, as indicated by the context, seventy per cent or such other percentage of the fair market value of such property as the director certifies as the tax base as provided by law less exemptions as provided by law and, in all cases where appeals from the director’s assessment are then unsettled, less fifty per cent of the value in dispute.

(3) “The building tax factor” means the percentage of net taxable buildings to be used as the tax base for buildings in determining real property tax rates.

(4) “Modified net taxable real property” means the total of net taxable lands plus the product of net taxable buildings and the building tax factor.

(b) The board of supervisors or the city council of each county shall determine the tax rates for buildings and for all other real prop-

erty, exclusive of buildings, for each class of property established in accordance with subsection 128-9(d); provided that the board or council shall determine a single tax rate to be applied to net taxable real property within the agricultural and conservation classes. Such rates shall be determined for each calendar year, by resolution adopted in the manner provided by law relating to resolutions involving the expenditure of public money; provided that after introduction of such resolution and before final action on the same, a public hearing shall be held thereon after publication of notice thereof in a newspaper of general circulation in the county in which the rates are to be fixed, which notice shall be published not less than ten days before the hearing and shall set forth the tax rates under consideration by the board or council; and provided further, that upon the final reading, subsequent to the public hearing of any resolution for the adoption of such rates, the board of supervisors or the city council may fix such rates at an amount differing from that originally proposed or under consideration when the notice of public hearing was published. The resolution fixing the tax rates in each county shall be adopted on or before April 20 of the year for which property tax revenues are to be raised.

(c) The board of supervisors and the city council of each county shall determine the tax rates applicable in the county using the following method:

(1) the net taxable real property of each class shall be divided by the net taxable real property for the county to determine the percentage of revenue to be raised from each class;

(2) The percentage of revenue to be raised from each class shall be multiplied by the total revenue to be raised from real property in the county in order to determine the amount of revenue to be derived from each class;

(3) The net taxable buildings in each class, except agricultural and conservation, shall be multiplied by the applicable building tax factor and the product thereof divided by the modified net taxable value of real property in that class which quotient shall be multiplied by the amount of revenue to be raised from that class in order to determine the amount of revenue to be raised from the tax on net taxable buildings which amount shall be divided by the net taxable value of buildings in that class to determine the tax rate which shall be expressed in terms of tax per \$1,000 of net taxable buildings;

(4) The net taxable lands in each class, except agricultural and conservation, shall be divided by the modified net taxable value of real property in that class which quotient shall be multiplied by the amount of revenue to be raised from that class in order to determine the amount of revenue to be raised from the tax on net taxable lands which amount shall be divided by the net taxable value of lands in that class to determine the tax rate which shall be expressed in terms of tax per \$1,000 of net taxable lands;

(5) The amount of revenue to be raised from net taxable real property in the agricultural and conservation classes shall be divided by the net taxable real property in the respective classes to determine the respective tax rates which shall be expressed in terms of tax per \$1,000 of net taxable real property.

(d) The building tax factor shall be determined as provided for in this subsection.

(1) Effective January 1, 1965 the building tax factor shall be 90 per cent;

(2) Effective January 1, 1967 the building tax factor shall be 80 per cent; provided that the governor may defer the effective date of this reduction in any county for a period of up to two years;

(3) Effective two years after the building tax factor has been first fixed at 80 per cent, the building tax factor shall be 70 per cent; provided that the governor may defer the effective date of this reduction in any county for an additional period of up to two years.

(4) Effective two or more years after the building tax factor has first been fixed at 70 per cent, the board of supervisors or city council of each county may further reduce the building tax factor; provided that (i) prior approval of the reduction is obtained from the governor, (ii) the building tax factor is changed in units of 10 per cent, (iii) not more than 10 per cent change is made in any two years, and (iv) the building tax factor is not lowered to less than 40 per cent.

(e) Upon determination of the tax rates for the calendar year in each county, the board or council shall notify the director of taxation of the rates, and the director shall employ such rates in the levying of property taxes in that county as provided by law.

(f) The director of taxation shall, on or before March 31 of each year, furnish each board and council with a calculation, certified by him as being as nearly accurate as may be, of the net taxable real property within the county, separately stated for each class established in accordance with subsection 128-9(d) for net taxable lands and for net taxable buildings, plus such additional data relating to the property tax base as may be necessary.

(g) Insofar as the validity of any tax rate is concerned, the provisions of subsections (b) and (f) of this section, including provisions as to dates, shall be deemed directory and no mere informality in employing the procedures thereby prescribed for determining a property tax rate shall invalidate that rate. The provisions of subsections (c), (d) and (e) shall be deemed mandatory."

SECTION 9. Chapters 128 and 129 of the Revised Laws of Hawaii 1955, as amended, are hereby amended to change the word "rate" to "rate or rates" wherever the context indicates it should be done to be consistent with the provisions of this Act.

SECTION 10. Subsection 143-21(c), Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting from the second sentence the following words " , and for this purpose the tax rate limit provided by section 129-2 may be exceeded by not more than \$2 per \$1,000 of assessed value of taxable real property in the county for the year".

SECTION 11. The provisions of this Act are declared to be severable and, if any word, sentence or section of this Act or the application thereof to any person, circumstance or property is held invalid for any reason, the validity of the remainder of this Act or the application of such portion to other persons, circumstances or property shall not be affected.

SECTION 12. This Act shall take effect upon its approval, provided that the provisions of sections 1, 5, 6, 7, 8 and 9 shall take effect on January 1, 1965; and provided further that parcels need not be assigned to classes as prescribed by the provisions of section 3 prior to January 1, 1965.

(Approved June 3, 1963.) **H.B. 22.**

ACT 143

A Bill for an Act Relating to the Establishment of a Correlation Between the Value of Real Property for Tax Assessment Purposes and That in Eminent Domain and Condemnation Proceedings.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. **Purpose.** The purpose of this Act is to prescribe a fair and reasonable basis for determining the fair market value of real property by correlating the value of a given parcel of land when it is appraised for eminent domain and condemnation purposes, with the value of the same property when it is assessed for real property taxation purposes, thereby protecting the government and the public from the abuses of manipulative real property valuation practices detrimental to the public interest.

SECTION 2. Section 128-23, Revised Laws of Hawaii 1955, as amended, is further amended by adding the following sentence at the end of the penultimate paragraph of said section:

"Such opinion of value shall constitute a rebuttable presumption that the fair market value of such real property on the date of such return was not greater than the value stated in such return in any subsequent proceeding brought to condemn said property or any part thereof for public purposes."

SECTION 3. Section 128-30, Revised Laws of Hawaii 1955, as amended, is further amended by adding at the end thereof a new sentence to read as follows:

"Where such an appeal is based upon the ground that the assessed value of the real property for tax purposes is excessive, the valuation claimed by the taxpayer in such appeal shall be admissible in evidence, in any subsequent condemnation action involving said property, as an admission that the fair market value of said real property as of the date of assessment is no more than the value arrived at when said assessed value from which the taxpayer appealed is adjusted to 100% fair market value; provided, however, that such evidence shall not in any way affect the right of the taxpayer to any severance damages to which he may be entitled."

SECTION 4. There is hereby added to chapter 8, Revised Laws of Hawaii 1955, as amended, the following new section:

"**Section 8-10.1. Evidence.** In addition to rules of evidence otherwise provided by law, the provisions of sections 128-23 and 128-30 shall apply to all proceedings brought under the provisions of this part."

SECTION 5. If any section, paragraph or part of this Act is declared invalid for any reason, such invalidity shall not affect the validity of the remaining sections and parts of this Act.

SECTION 6. This Act shall take effect on January 1, 1964.

(Approved June 3, 1963.) **H.B. 25.**

ACT 144

A Bill for an Act Relating to Pay for Election Inspectors, Amending Section 11-76, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 11-76, Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the first sentence thereof and substituting therefor the following:

"The members of the board of registration shall be paid \$12 per day for each day of actual service of not less than six hours. The members of the board of election inspectors, other than the chairmen, shall be paid \$25 for each election and in addition thereto such members in voting booths or units not equipped with voting machines shall be paid the sum of \$1.25 for each 100 registered electors in the voting booth or unit in excess of the first 150. The chairmen of the board of election inspectors for each precinct shall be paid \$5 more than the amount provided for the highest paid member of such board, for each election held."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 36.**

ACT 145

A Bill for an Act to Amend Chapter 131E of the Revised Laws of Hawaii 1955, as Amended, Relating to Tax Relief for Natural Disaster Losses.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Paragraph (b), section 131E-1, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"(b) 'Natural disaster' means any unfortunate, severe, and extraordinary damages caused by seismic wave, tsunami, hurricane, volcanic eruption, typhoon, earthquake, or prolonged drought declared by the governor pursuant to section 131E-2 to have caused losses and suffering of such character and magnitude as to require and justify rehabilitative assistance from the State."

SECTION 2. Paragraph (c), section 131E-4, Revised Laws of Hawaii 1955, as amended by Act 22, Session Laws of Hawaii 1962, is hereby further amended by inserting between the words "property" and

"under" on line 9 of said paragraph the words "located on the island on which the losses were incurred."

SECTION 3. Section 131E-7, Revised Laws of Hawaii 1955, as amended by said Act 22, is hereby further amended to have the third sentence read as follows:

"In no event shall any claimant recover any amount whatsoever in excess of his losses certified by the commission through the foregoing taxes, nor recover any amounts in excess of the limits set forth in this section; provided, that he may use any one or more of the foregoing taxes as a basis for his remittance, refund or forgiveness of the taxes so long as it does not exceed any of the limits as herein set forth, and the taxes became due for real property, trade, business or income derived on the island on which the losses were incurred."

SECTION 4. Notwithstanding the provisions of chapter 131E of the Revised Laws of Hawaii 1955, as amended, for any prolonged drought which occurred in 1962 and for which the governor has issued a declaration of the occurrence of a natural disaster, claims may be filed under the provisions of said chapter, on or before December 31, 1963.

SECTION 5. This Act shall take effect upon approval and as to sections 2 and 3 herein shall apply to the remittances, refunds or forgiveness of any claimant whose real property taxes are due from and after January 1, 1964.

(Approved June 3, 1963.) **H.B. 37.**

ACT 146

A Bill for an Act Relating to Taxation, Amending Chapter 121 of the Revised Laws of Hawaii 1955, as Amended, to Incorporate Certain Amendments of the Internal Revenue Code of 1954.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 121-1.01 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding under column 1 and column 2 the following:

"Column 1	Column 2
Taxable year beginning on or after January 1, 1961, and subsequent taxable years.	Public Law 86-564, Title 111, section 302;
Taxable year beginning on or after January 1, 1962, and subsequent taxable years.	Public Law 87-834, sections 22 and 28;
Taxable years ending after December 31, 1962, but only in respect of periods after December 31, 1962.	Public Law 87-834, section 4;
Taxable year beginning on or after January 1, 1963, and subsequent taxable years.	Public Law 87-834, sections 13 and 21; Public Law 87-863, section 2."

SECTION 2. In the case of a taxpayer who shall have made for federal purposes the election allowed under subsection (c) of section 302 of Public Law 86-564, as amended by section 4 of Public Law 86-781, the taxpayer may also elect to have the amendments made by subsection (b) of section 302 of Public Law 86-564 effective and applicable to taxable years ending before January 1, 1961, which in whole or in part are governed by the Income Tax Law of 1957. The election may be exercised by the filing, on or before December 31, 1963, of a return or an amended return for each of such taxable years, and if exercised, may not be revoked.

SECTION 3. Section 121-24.1 of the Revised Laws of Hawaii 1955, as amended, is hereby amended:

(a) By amending the language in subsection (a) which reads "(as defined in section 1504 of the Internal Revenue Code, said section being applicable for this purpose though not generally applicable)" to read as follows:

"(as defined in section 1504 of the Internal Revenue Code, as amended by Sec. 2(c) of Public Law 86-376, said section 1504 being applicable for this purpose though not generally applicable)".

(b) By adding a new subsection to read as follows:

"(c) For purposes of subsection (a)(1), stock which is held by a husband and wife as joint tenants, tenants by the entirety, or tenants in common, shall be treated as owned by one shareholder."

SECTION 4. Section 121-5, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding thereto the following new subsection:

"(..)(1). If the taxpayer exercises the election provided in this subsection, in the case of property which is 'section 38 property' (as defined in section 48 of the Internal Revenue Code) the amount of depreciation allowable under this chapter for the first taxable year in which depreciation is allowed as such property under the Internal Revenue Code shall be equal to the sum of (A) the amount of credit allowed under section 38 of the Internal Revenue Code and (B) the amount of depreciation allowed under the Internal Revenue Code with respect to such property for such year, and for any subsequent taxable year the amount of depreciation allowed under this chapter shall be the amount allowed for such property under the Internal Revenue Code for such year. However, if during any subsequent year the property ceases to be 'section 38 property' or the event stated in section 47(a)(2) of the Internal Revenue Code occurs, the adjustment in basis provided in section 48(g)(2) of the Internal Revenue Code shall not be allowed for the purpose of determining the amount of depreciation allowed under this chapter for such year and the years thereafter.

(2) The election to determine the amount of depreciation allowable each year in accordance with the provisions of paragraph (1) for any property described therein shall be exercised in such manner as the director shall prescribe and shall be, with respect to any such property, irrevocable.

(3) The Internal Revenue Code meant in paragraph (1) is the Internal Revenue Code as amended by section 2 of Public Law 87-834.

(4) Nothing in this subsection shall be deemed to allow an increase

in the total amount of depreciation allowed under this chapter for any property to which this subsection is applicable."

SECTION 5. The amendment made by section 3 shall apply to taxable years beginning on or after January 1, 1963; the amendments made by section 4 shall apply to taxable years beginning on or after January 1, 1962; the provisions of subsection (c) of section 13 of Public Law 87-834 shall apply to taxable years beginning on or after January 1, 1962, and ending after October 16, 1962.

SECTION 6. This Act upon its approval shall apply to the taxable years stated in sections 1 and 5.

(Approved June 3, 1963.) **H.B. 56.**

ACT 147

A Bill for an Act Relating to the Taxation of Public Utilities, Motor Carriers and Contract Carriers.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. (a) Section 117-20 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending subsection (c) to read as follows:

"(c) Public service companies (as that term is defined in section 126-2), with respect to the gross income, either actual gross income or gross income estimated and adjusted, which is included in the measure of the tax imposed by chapter 126."

(b) The amendments made by this section shall not exclude from taxation under chapter 117, Revised Laws of Hawaii 1955, as amended, any gross income received or accrued, as the case may be, prior to January 1, 1964.

SECTION 2. Chapter 126 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following respects:

(a) By amending the chapter heading to read as follows: "Public Service Company Tax Law".

(b) By amending section 126-1 to read as follows:

"**Sec. 126-1. Tax levy, in general.** There shall be levied and assessed upon each public service company a tax in the manner provided by this chapter."

(c) Section 126-2 is amended to read as follows:

"**Sec. 126-2. Definitions.** As used in this chapter unless otherwise required by the context:

(a) 'Public utility' has the meaning given that term in section 104-1.

(b) 'Public service company' means a public utility, motor carrier, or contract carrier.

(c) 'Motor carrier' means a common carrier or contract carrier transporting freight or other property on the public highways, other than a public utility or taxicab.

(d) 'Contract carrier' means a person other than a public utility or taxicab which, under contracts or agreements, engages in the trans-

portation of persons or property for compensation, by land, water or air.

(e) 'Carrier' means a person who engages in transportation, and does not include a person such as a freight forwarder who provides transportation by contracting with others, except to the extent that such person himself engages in transportation.

(f) 'Gross income' means the gross income from public service company business as follows:

(1) Gross income from the production, conveyance, transmission, delivery or furnishing of light, power, heat, cold, water, gas or oil; or

(2) Gross income from the transportation of passengers or freight, or the conveyance or transmission of telephone or telegraph messages, or the furnishing of facilities for the transmission of intelligence by electricity, by land or water or air:

(A) Originating and terminating within this State, or

(B) By means of vessels or aircraft having their home port in the State and operating between ports or airports in the State, with respect to the transportation so effected, or

(C) By means of plant or equipment located in the State, between points in the State, or

(3) Gross income from the transportation of freight by motor carriers (other than as stated in paragraph (2) of this subsection), or the conveyance or transmission of messages or intelligence through wires or cables located or partly located in the State (other than as stated in paragraph (2) of this subsection).

(g) The 'net operating income' of a public utility subject to the tax rate imposed by section 126-5(a) is the operating revenues less the operating expenses and tax accruals, including in the computation of such revenues and expenses, debits and credits arising from equipment rents and joint facility rents. In the event that, but for the provisions of this sentence, deductions could not be had for expenses of services because such services were rendered by the same person or persons constituting the public utility or could not be had for income taxes, because such taxes were levied against the person or persons constituting the public utility in his or their individual capacity and not as a separate entity, there nevertheless shall be allowed as deductions in computing the net operating income (1) a reasonable allowance for the value of personal services actually rendered, and (2) such proportion of the actual amount of income taxes, federal and state, as fairly represents the portion of the income so taxed which was derived from the public utility business.

(h) 'Ports', 'airports', or 'points in the State' shall be deemed to be such if they are loading, unloading, transshipment, assembly, transfer or relay points.

(i) 'Home port' means the place where vessels or aircraft have their tax situs or principal tax situs.

(j) 'Public highways' has the meaning defined by section 142-1 including both state and county highways, but operation upon rails shall not be deemed transportation on the public highways."

(d) Section 126-4, as amended, is hereby further amended as follows:

(1) By deleting the words "public utility" wherever the same appear and substituting therefor the words "public service company."

(2) By deleting from the sixth line the words "gross receipts" and substituting therefor the words "gross income."

(3) By deleting from the last sentence the words "and the real property used in connection therewith."

(4) By adding to said section a new sentence to read as follows:

"In the case of a public utility subject to the rate of tax imposed by section 126-5(a) or (b), if the public utility carries on lines of business other than its public utility business the real property used in connection with the other lines of business shall be taxed the same as if no public utility business were done."

(e) Section 126-5 is amended to read as follows:

"Sec. 126-5. Public utilities, generally.

(a) There shall be levied and assessed upon each public utility, except airlines, motor carriers and contract carriers taxed by section 126-5.1, a tax of such rate per cent of its gross income each year from its public utility business as shall be determined in the manner hereinafter provided. The tax imposed by this section is in lieu of all taxes other than those below set out, and is a means of taxing the real property (owned by the public utility or leased to it by a lease under which the public utility is required to pay the taxes upon the property), and the personal property of the public utility, tangible and intangible, including going concern value. In addition to the tax imposed by this chapter there also are imposed income taxes, the specific taxes imposed by chapter 130, the fees prescribed by chapter 104, any tax specifically imposed by the terms of the public utility's franchise or under chapter 131, the use or consumption tax imposed by chapter 119, and employment taxes.

The rate of the tax upon the gross income of such public utility shall be determined as follows:

If the ratio of the net income of the company to its gross income is fifteen per cent or less, the rate of the tax on gross income shall be five and one-half per cent; for all companies having net income in excess of fifteen per cent of the gross, the rate of the tax on gross income shall increase continuously in proportion to the increase in ratio of net income to gross, at such rate that for each increase of one per cent in the ratio of net income to gross, there shall be an increase of one-fourth of one per cent in the rate of the tax.

The following formula may be used to determine such rate, in which formula the term 'R' is the ratio of net income to gross income, and 'X' is the required rate of the tax gross income for the utility in question:

$$X = (1.75 + 25R) \%;$$

Provided, that in no case governed by the formula shall 'X' be less than five and one-half per cent.

However, if the gross income is apportioned under section 126-7.1(b) or (c), there shall be no adjustment of the rate of tax on the amount of gross income so apportioned to the State on account of the ratio of the net income to the gross income being in excess of 15 per cent, and it shall be assumed in such case that the ratio is 15 per cent or less.

(b) Notwithstanding subsection (a), the rate of the tax upon the portion of the gross income of a carrier of passengers by land which consists in passenger fares for transportation between points on a

scheduled route, shall be five per cent. However, if such carrier has other public utility gross income the fares nevertheless shall be included in applying subsection (a) in determining the rate of tax upon the other public utility gross income."

(f) By adding a new section 126-5.1 to read as follows:

"Sec. 126-5.1. Airlines, certain carriers. There shall be levied and assessed upon each airline, each motor carrier, and each contract carrier other than a motor carrier, a tax of $3\frac{1}{2}$ per cent of its gross income each year from such airline, motor carrier or contract carrier business. The tax imposed by this section is a means of taxing the personal property of the airline or other carrier, tangible and intangible, including going concern value, and is in lieu of the tax imposed by chapter 117 but is not in lieu of any other tax."

(g) Section 126-6, as amended by Act 277 of the Session Laws of Hawaii 1959, is further amended by deleting the words "public utility" wherever the same appear and substituting therefor the words "public service company".

(h) Section 126-7 is hereby deleted.

(i) There is hereby added a new section 126-7.1 to read as follows:

"Sec. 126-7.1. Allocation and apportionment.

(a) The gross income included in the measure of the tax under section 126-2(f)(2) or (3) shall be determined by an allocation and separate accounting so far as practicable.

(b) If under section 126-2(f)(2) an apportionment of gross income is necessary, there shall be apportioned to the State and included in the measure of the tax that proportion of the total gross income, so requiring apportionment, which the direct cost of the transportation, conveyance or transmission designated in section 126-2(f)(2) bears to the total direct cost of the transportation, conveyance or transmission the gross income from which requires apportionment.

(c) If under section 126-2(f)(3) an apportionment of gross income is necessary, there shall be apportioned to the State and included in the measure of the tax that proportion of the total gross income, so requiring apportionment, which the total direct cost of the transportation, conveyance, or transmission within the State bears to the total direct cost of the transportation, conveyance or transmission the gross income from which requires apportionment.

(j) By adding a new section 126-7.5 to read as follows:

"Sec. 126-7.5. Time of application of tax and other provisions.

(a) In general. The tax imposed by this chapter applies to every public service company:

(1) which is in business at the commencement of a calendar year, as of January 1 of that year;

(2) which begins business after the commencement of a calendar year, as of the commencement of business.

(b) Third year of doing business; earlier years, how governed. If the company is in business at the commencement of the calendar year, and was in business during the whole of the preceding year and prior thereto, the tax shall be returned and paid as provided in sections 126-4 and 126-6.

However, if paragraph (2) of subsection (a) applies, or if the com-

pany though in business at the commencement of the calendar year was not in business during the preceding calendar year, or was in business during the preceding calendar year or a part thereof but not prior thereto, the tax shall be returned and paid as provided in subsections (c) and (d).

(c) First year of doing business. The measure of the tax for the year in which the company begins business is an estimate of the gross income of the public service company for that year or for the part of that year in which it is in business.

The tax thereon for the year in which the company begins business shall be at the following rate: (1) If paragraph (2) of subsection (a) applies, at the rate of three and one-half per cent, or (2) if paragraph (1) of subsection (a) applies but the company though in business at the commencement of the calendar year, was not in business during any part of the preceding calendar year, the tax shall be at the rate provided by sections 126-5 and 126-5.1, except that there shall be no adjustment of the rate of tax on account of the ratio of the net income to the gross income being in excess of fifteen per cent and it shall be assumed for purposes of this subsection and subsection (e) that the ratio is fifteen per cent or less.

The estimate shall be made and the tax returned on or before the twentieth day of the third month after the month in which the company begins business and shall be subject to redetermination by the director of taxation and adjustment as provided in subsection (e). Payment of the tax shall accompany the return unless time for payment is extended by the director of taxation; such extension may be granted by the director in order to provide for payment of the tax in installments during the remainder of the calendar year.

(d) Second year of doing business. The measure of the tax for the year following the year in which the company began business is an estimate of the average gross income for a calendar year, subject to redetermination and adjustment as provided in subsection (e). Such estimate shall be made and the tax returned and paid at the times provided for other companies which are in business at the commencement of the calendar year.

The tax thereon shall be at the rate provided by sections 126-5 and 126-5.1, except that there shall be no adjustment of the rate of tax on account of the ratio of the net income to the gross income being in excess of fifteen per cent and it shall be assumed for purposes of this subsection and subsection (e) that the ratio is fifteen per cent or less.

(e) Adjustment of estimates. Every estimate made under subsections (c) and (d) shall be subject to redetermination by the director after the close of the year for which the estimate is made, and the final amount of tax shall be based upon the estimated gross income as adjusted under this subsection.

If the year for which the estimate is made is the year in which the company commenced doing business and subsection (c) applies, any variance between the estimate and the actual gross income for that year shall be adjusted by the director and a credit or refund made, or assessment issued, dependent upon whether the estimate was in excess of or less than the actual gross income of the company for that year.

If the year for which the estimate is made is the year following the year in which the company commenced doing business and subsection (d) applies, the average monthly gross income during the period from and after the commencement of business to the close of the year for which the estimate was made shall be determined and multiplied by twelve. The amount so computed shall be compared with the estimate and an adjustment made so as to allow a credit or refund if and to the extent that the estimate was in excess of this amount, or issue an assessment if and to the extent that the estimate was less than this amount.

(f) Acquisition of business of another company. Whenever any public service company subject for any year to the tax imposed by this chapter, shall have acquired by purchase or otherwise during the preceding year the business or any part thereof of another public service company liable to tax under this chapter for such preceding year but not liable for the year following such sale or disposition, and such acquiring company continues the operation of such business so acquired, the gross income to be reported by the acquiring company for the purpose of determining the amount of its tax under this chapter for the year following the year in which such business was so acquired shall include, in addition to the gross income of the acquiring company during the year ending December thirty-first preceding, the gross income of the business or part thereof so acquired for such portion of such preceding year as such business was not operated by the acquiring company.

The provisions of this subsection shall not apply to any company whose tax for the year involved is measured under subsection (c) by an estimate of gross income for such year subject to adjustment after the close of the year.

If the first paragraph of this subsection applies but the tax of the acquiring company for the year is governed by subsection (d) and adjusted under subsection (e), then in determining the average monthly gross income for that purpose there shall be included, in addition to the gross income of the acquiring company for the period involved in the determination of the average, the gross income of the business or part thereof acquired by the company for the portion of that period in which the business was not operated by the acquiring company.

(g) Consolidation or merger. Whenever there is a consolidation or merger of public service companies, liability to the tax imposed by this chapter shall attach to the company thus formed and the gross income which shall be used for measuring the tax of the company thus formed shall include the gross income of the companies which were consolidated or merged."

SECTION 3. Section 129-9 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended:

(a) By amending the first clause of the section, to and including the words "as follows", to read as follows:

"Each county shall receive a share of the general excise tax, consumption tax, compensating tax, and public service company tax (in this chapter called the county's share of the general excise tax), as follows:"

(b) By deleting from the third paragraph, first sentence, the lan-

guage "excepting only general excise taxes collected from public utility airlines" which appears at the end of the sentence, and by substituting therefor the following words: "excepting only taxes collected from public utilities as defined in section 104-1."

SECTION 4. If any provision of this Act, or the application thereof to any person or circumstances, is held invalid, the remainder of this Act, and the application of such provisions to other persons or circumstances shall not be affected thereby.

SECTION 5. This Act, upon its approval, shall take effect as of January 1, 1964. Any public service company which during the calendar year 1963 or any part thereof was subject to the general excise tax imposed by chapter 117 shall be taxed in 1964 the same as if subsections (d) and (e) of section 126-7.5 were applicable, and the tax shall be adjusted so as to apply to an amount of gross income computed at twelve times the average monthly gross income received or derived during the calendar years 1963 and 1964; provided, that at the option of the company the tax shall be measured by the gross income of the calendar year 1963.

(Approved June 3, 1963.) **H.B. 57.**

ACT 148

A Bill for an Act Relating to Flood Control and Amending Chapter 87C, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 87C, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 87C-1. Declaration of purpose. It is hereby declared:

(a) That floods caused by heavy rainstorms and abnormal tidal action are detrimental to the health, safety, and general welfare of the people of the State, resulting in jeopardy to and the loss of life and property, disruption of commerce, and interruption of transportation and communications; that the reduction of flood damage is therefore of primary importance to the people of the State; and the conservation and beneficial use of flood water is an essential adjunct to rainfall drainage and flood control.

(b) It is the purpose of this Act to provide for the coordination by the State of all federal and state flood control projects undertaken in Hawaii and for such technical and/or financial assistance to its political subdivisions as may be desirable or necessary to assure maximum benefits to the people of the State from the expenditure of state funds for flood control purposes.

(c) Nothing in this chapter shall prevent any political subdivision through its proper officials from requesting federal aid on its own initiative and at its own expense without having to secure state approval.

Sec. 87C-2. Definitions. The following terms, whenever used and referred to in this Act, shall have the following respective meanings, unless a different meaning clearly appears in the context:

'Abnormal tidal action' shall include high seas or surf, hurricane floods, and tsunamis or seismic waves.

'Board' shall mean the board of land and natural resources.

'Department' shall mean the department of land and natural resources.

'Drainage' shall mean the collection and conveyance of surface or subsurface water, storm runoff, or any other water to a disposal area, or into a watercourse or standing body of water to reduce damage to lands which are not necessarily adjacent to such watercourse or standing body of water, or to reclaim lands for beneficial use.

'Drainage facilities' shall mean any man-made construction undertaken for drainage purposes and shall include conduits, ditches, canals, dikes, embankments, dams, reservoirs, and other appropriate facilities.

'Drainage measures' shall include drainage facilities, land treatment, statutory and building code requirements relating to drainage, and any other measures intended to accomplish drainage purposes.

'Flood' shall mean the temporary inundation of usable lands caused by the overflow of an adjacent natural watercourse or standing body of water.

'Flood control,' 'flood water control,' and 'flood prevention,' shall mean the minimizing of flood damage by appropriate protective, preventive, and corrective measures.

'Flood control measures' shall include flood control works, land treatment, master planning and zoning to establish encroachment zones along watercourses and adjacent to standing bodies of water, training of flood fighting units, flood disaster plans and operations, and any other measures relating to flood control, flood water conservation, and flood damage.

'Flood control plan,' 'general flood control plan,' and 'plan' shall mean the report entitled General Flood Control Plan for Hawaii (Volume II of Flood Control and Flood Water Conservation in Hawaii), published by the board in January 1963.

'Flood control program' when referring to a specific watershed or subwatershed, shall mean all existing or planned flood control measures relating to such area; when referring to the statewide flood control program shall mean the general flood control plan and all activities of the board and department pursuant to the provisions of this Act.

'Flood control project,' 'federal flood control project,' and 'state flood control project' shall mean, respectively: (1) specific flood control works which comprise all or a portion of the works needed to complete a specific flood control program; (2) a flood control project authorized and implemented pursuant to the Federal Flood Control Act of 1936 or the Watershed Protection and Flood Prevention Act of 1958, as amended or supplemented, and (3) a flood control project sponsored and financed by the State and authorized and implemented pursuant to section C-4(c) of this Act.

'Flood control works,' 'works of improvement,' 'works,' or 'flood control facilities' shall mean any man-made construction undertaken to confine storm runoff within a natural watercourse, conserve such runoff, or lessen the energy and effect of abnormal tidal action, and shall include

conduits, ditches, canals, levees, dikes, embankments, dams, reservoirs, breakwaters, groins, seawalls, and other appropriate facilities.

'Flood water conservation' shall mean the confinement, storage and beneficial utilization of storm runoff by the construction, operation, maintenance, and supervision of drainage and flood control facilities.

'Political subdivision' shall mean any of the several counties under existence in the State by virtue of the laws of Hawaii or any legally organized district or political incorporation thereof.

'Watercourse' or 'natural watercourse' shall mean any river, stream, gulch, gully, valley floor, or any other naturally formed channel having a bed and sides or banks in which water flows either perennially or intermittently. 'Natural watercourse' shall also include a drainage ditch in existence after seven years from installation but shall not include a ravine, swale, or similar depression within which water flows only during rainfall.

'Standing body of water' shall mean a fresh water pond, lake, or reservoir, or the Pacific Ocean along an extended shoreline or a tidal inlet such as a bay, harbor, pond, or estuary.

'United States' shall mean the United States of America, including the agencies, instrumentalities, officers, agents, or employees thereof.

Sec. 87C-3. Statewide flood control agency and program.

(a) The board of land and natural resources, whose functions include under the existing laws of Hawaii, the management and administration of water resources of the State, is hereby designated as the state agency responsible for the accomplishment of the purposes of this Act.

(b) All flood control and flood water conservation and related activities, and any attendant powers and duties, heretofore assigned to other state departments or agencies, but not including flood disaster operations, shall be transferred to the board upon the enactment of this law.

(c) It is declared that the general flood control plan is to be regarded as a general guide for the orderly and coordinated implementation of a statewide flood control program and the specific existing and planned flood control programs and the specific existing and planned flood control programs comprising the plan to be financed by state funds. This declaration is not to be construed so as to constitute approval of the specific flood control programs included in the plan. Nor shall this declaration be construed so as to prohibit the development of lands bordering watercourses or standing bodies of water. The board may, from time to time, modify the plan to the extent that it finds such to be necessary or desirable.

Sec. 87C-4. Powers, duties and jurisdiction of the board. In addition to those powers and responsibilities of the board established by existing law, the board is authorized to implement the declared purposes of this Act with regard to flood control and flood water conservation in the following manner:

(a) Coordinate the programs and activities of all agencies of the State, in conformance with the objectives of the statewide flood control program.

(b) Compile, evaluate, interpret, and disseminate information for technical use and for the general information and education of the people of the State.

(c) Render technical assistance to the political subdivisions and other agencies of the State only upon request of the affected agencies in matters of master planning, zoning, qualifying for and constructing federal and state flood control projects, the training of flood fighting units, and related flood control activities.

(d) With regard to federal flood control projects: (1) review plans submitted by federal agencies for state approval and make appropriate recommendations to the governor; (2) formulate and recommend to the legislature of a general policy for state participation with the political subdivisions in the assurances of local cooperation required by federal flood control acts; (3) review requests from political subdivisions for financial assistance in meeting local participation requirements and make appropriate recommendations to the legislature; and (4) execute and administer agreements with political subdivisions to implement state assurances of participation in federal flood control projects.

(e) For meritorious proposed projects which do not meet feasibility standards for federal flood control projects: (1) formulate state feasibility criteria and project funding procedures; (2) study, evaluate, and determine the feasibility of proposed projects in accordance with established criteria and make recommendations to the legislature; (3) execute and administer agreements with political subdivisions to assure compliance with the conditions of state projects; and (4) design, prepare plans and specifications, obtain bids, let contracts, and supervise the construction of state flood control works.

(f) With regard to projects initiated and financed entirely by political subdivisions, render coordination and aid only if requested by the respective agencies."

SECTION 2. Existing laws and severability. All laws or parts of laws which are held to be inconsistent with this Act are hereby amended to conform with the provisions of this Act. The provisions of this Act are declared to be severable, and if any portion of this Act or the application thereof to any person, circumstance, or property is held to be invalid for any reason, the validity of the remainder of this Act or the application of such portion to other persons, circumstances or property shall not be affected thereby.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 80.**

ACT 149

A Bill for an Act to Amend Section 83-68 of the Revised Laws of Hawaii 1955, as Amended, Relating to Final Discharge.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 83-68 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 83-68. Final discharge. Whenever, in its opinion, any paroled prisoner has given such evidence as is deemed reliable and trustworthy that he will remain at liberty without violating the law and that his final

release is not incompatible with the welfare of society, the board may grant the prisoner a written discharge from further liability under his sentence.

Any paroled prisoner who has been on parole for at least five years shall be brought before the board for purposes of consideration for final discharge and complete pardon. In the event such prisoner is not granted a final discharge and full pardon, the paroled prisoner shall be brought before the board for the aforementioned purposes annually thereafter.

Any person, who, while on parole, entered the military service of the United States, may, upon his honorable discharge therefrom, petition the board for a final discharge, and the board may consider the honorable discharge as grounds for granting a final discharge from parole and recommending to the governor a full pardon."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 94.**

ACT 150

A Bill for an Act to Amend Chapter 46 of the Revised Laws of Hawaii 1955, as Amended, to Authorize the Department of Health to Make Such Regulations as it Deems Necessary for the Public Health and Safety Respecting "Hazardous Substances".

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subsection (o) of section 46-13 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"(o) Poisons and hazardous substances, the latter term including, but not limited to, any substance or mixture of substances which (1) is corrosive, (2) is an irritant, (3) is a strong sensitizer, (4) is inflammable or (5) generates pressure through decomposition, heat or other means, if such substance or mixture of substances may cause substantial personal injury or substantial illness during or as a proximate result of any customary or reasonably foreseeable handling or use, including reasonably foreseeable ingestion by children."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 117.**

ACT 151

A Bill for an Act to Establish a Public Employees' Incentive and Service Awards System.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 5 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section, to be appropriately numbered and to read as follows:

"Sec. Incentive and service awards.

a. The head of each department of the state or county governments is authorized to pay cash awards to, and to incur necessary expenses for the honorary recognition of, officers, and employees of the government who by their suggestions, inventions, superior accomplishments, or other personal efforts, including length of service, contribute to the efficiency, economy, or other improvement of government operations or who perform special acts or services in the public interest in connection with or related to their official employment.

b. A cash award under this section shall be in addition to the regular compensation of the recipient and the acceptance of such cash award shall constitute an agreement that the use by the government of the State of Hawaii or its political subdivisions of any idea, method, or device for which the award is made shall not form the basis of a further claim of any nature upon the government of the State or of any of its political subdivisions by the employee, his heirs, or assigns.

c. In instances determined by the governor to warrant such action, he is authorized to pay cash awards to and to incur necessary expenses for the honorary recognition of, officers and employees of the government who by their suggestions, inventions, superior accomplishments or other personal efforts, including length of service awards, contribute to the efficiency, economy or other improvement of government operations, or who perform exceptionally meritorious special acts or services in the public interest in connection with or related to their official employment, and any such gubernatorial awards may be in addition to the awards authorized in subsection (a) of this section.

d. Awards and expenses for the honorary recognition of officers and employees may be paid from the funds or appropriations available to the department primarily benefiting or may be paid from the several funds or appropriations of the various departments benefiting as may be determined by the governor for awards under subsection (c) of this section and by the head of the department concerned for awards under subsection (a) of this section.

e. The awards program set forth in this section shall be carried out under such rules and regulations as may be issued by the department of personnel services for the state government subject to the approval of the governor and shall be applicable on each of the political subdivisions of the State subject to approval of the chief executive officer of the political subdivisions. The department of personnel services shall annually report the results of the program with related recommendations to the governor for transmittal to the legislature."

SECTION 2. Section 3-8 of the Revised Laws of Hawaii 1955, as amended, is hereby repealed.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 121.**

ACT 152

A Bill for an Act Amending Section 5-72, Revised Laws of Hawaii 1955, as Amended, Relating to Hours of Work of Officers and Employees; Compensation for Overtime; and Premium Pay.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 5-72, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding at the end of this section a new paragraph to read as follows:

"The department of personnel services of the State and the departments of civil service in the political subdivisions of the State shall each be responsible for the proper administration of the provisions of this section in the respective jurisdictions. Rules and regulations for the proper administration and regulation of hours of work and overtime compensation of officers and employees of the State and its municipal subdivisions shall be promulgated by the respective personnel directors of the State and its municipal subdivisions, subject to the approval of the governor for the state rules; the mayor of the city and county of Honolulu for the rules of the city and county; and, the chief executive officer for the rules of each of the counties of Hawaii, Kauai and Maui. Such rules and regulations shall be such as to obtain, so far as possible, uniformity and practicability in the application of the provisions of this section."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 125.**

ACT 153

A Bill for an Act Relating to Overtime Work of Public Officers and Employees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Part III of chapter 5 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section, appropriately numbered, reading as follows:

"**Sec. 5- Meals during overtime.** If an employee of the State or any county is required, with less than 24 hours prior notice, to work overtime in an emergency situation and because of such overtime work he is unable to go home for a meal he usually consumes at home, the department or agency by which he is employed shall furnish the meal or reimburse him for the reasonable cost thereof."

SECTION 2. This Act shall take effect July 1, 1963.

(Approved June 3, 1963.) **H.B. 132.**

ACT 154

A Bill for an Act Relating to the Compensation of Public Officers and Employees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Part III of chapter 5 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto a new section, to be appropriately numbered and to read as follows:

"Sec. Split-shift pay. Any officer or employee of the State or any county, or independent board or commission thereof, whose regular hours of work are divided into separate shifts shall be paid, in addition to his basic compensation, at the rate of nine cents for each hour of work that shall be deemed to be on a split-shift."

SECTION 2. This Act shall take effect on July 1, 1963.

(Approved June 3, 1963.) **H.B. 143.**

ACT 155

A Bill for an Act Relating to the Civil Service Status of Employees of the Hawaii Housing Authority.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 74-5 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the second sentence of the fourth paragraph to read as follows:

"The authority shall select from among its members a vice-chairman, and it may employ, subject to the provisions of chapters 3 and 4, Revised Laws of Hawaii, 1955, as amended, an executive secretary, technical experts and such other officers, agents and employees, permanent and temporary, as it may require."

SECTION 2. Nothing contained in this Act shall be construed to impair the civil service status of any employee of the Hawaii housing authority who acquired civil service status prior to the effective date of this Act.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 144.**

ACT 156

A Bill for an Act Relating to Hours of Work of Public Officers and Employees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 5-72 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending paragraph (b) thereof to read as follows:

"(b) Except as otherwise provided in this section, the normal work

week of all government personnel shall be forty hours with not more than eight hours of work in any day. If one or more legal holidays are observed according to section 1-43, Revised Laws of Hawaii 1955, as amended, the normal work week for that week shall be reduced by eight hours for each holiday so observed. The normal work week shall be applicable to all such personnel, irrespective of whether their work is performed during the hours specified in section 5-70."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 154.**

ACT 157

A Bill for an Act Relating to Funeral Leaves of Public Officers and Employees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 5-42.5 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"**Sec. 5-42.5. Funeral leave.** Two days' leave with pay, on such days as may be designated by the officer or employee, shall be granted any officer or employee in the service of the State or any county upon the death of any member of the officer's or employee's immediate family. The term 'immediate family' shall include the spouse, children, parents, siblings, father-in-law and mother-in-law of such officer or employee."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 159.**

ACT 158

A Bill for an Act Amending Sections 88-15 and 94-13, Revised Laws of Hawaii 1955, and Chapter 95, Revised Laws of Hawaii 1955, as Amended, Relating to Collection and Payment of Wages.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 88-15, Revised Laws of Hawaii 1955 is hereby amended as follows:

(a) By placing a period after the word "rules" appearing in the title thereof and deleting therefrom the words "wage claims, joinder of."

(b) By repealing paragraph (d) of said section.

SECTION 2. The fifth paragraph entitled "Restitution of illegal deductions; effect of" of section 94-13, Revised Laws of Hawaii 1955, is hereby amended by deleting therefrom the words and figures "sections 95-3 and 95-4" and substituting therefor the word and figure "chapter 95."

SECTION 3. Chapter 95, Revised Laws of Hawaii 1955, as amended, is further amended to read:

"CHAPTER 95 "WAGES, PAYMENT OF

"Section 95-1. Definitions.

"(a) As used in this chapter:

"(1) 'Director' means the director of labor and industrial relations.

"(2) 'Employ' includes to permit or suffer to work.

"(3) 'Employer' includes any individual, partnership, association, joint stock company, trust, corporation, the administrator or executor of the estate of a deceased individual or the receiver, trustee, or successor of any of the same, employing any person, but shall not include the State or any political subdivision thereof or the United States.

"(4) 'Employee' includes any person suffered or permitted to work.

"(5) 'Wages' means compensation for labor or services rendered by an employee, whether the amount is determined on a time, task, piece, commission or other basis of calculation. It shall include the reasonable cost, as determined by the director under chapter 94, to the employer of furnishing an employee with board, lodging or other facilities if such board, lodging or other facilities are customarily furnished by such employer to his employees but shall not include tips or gratuities of any kind.

"Section 95-2. Semi-monthly payday.

"(a) Every employer shall pay all wages due to his employees at least twice during each calendar month, on regular paydays designated in advance by the employer, in lawful money of the United States or with checks on banks convertible into cash on demand at full face value thereof.

"(b) The earned wages of all employees shall be due and payable within seven days after the end of each pay period.

"(c) The director may, upon application showing good and sufficient reasons, permit an employer to establish regular paydays less frequently than semi-monthly provided that the worker shall be paid in full at least once each calendar month on a regularly established schedule.

"Section 95-3. Employees who are separated from the payroll before paydays.

"(a) Whenever an employer discharges an employee either with or without cause, the employer shall pay the employee's wages in full at the time of discharge or if such a discharge occurs at a time and under conditions which prevent an employer from making immediate payment, then not later than the working day following discharge.

"(b) Whenever an employee quits or resigns, the employer shall pay the employee's wages in full no later than the next regular payday, as provided under section 95-2 of this chapter, either through the regular pay channels or by mail if requested by the employee, except that if the employee gives at least one pay period's notice of intention to quit the employer shall pay all wages earned by the employee at the time of quitting.

"(c) When work of an employee is suspended as a result of a labor dispute, or when an employee for any reason whatsoever is temporarily laid off, the employer shall pay in full to such employee not later than the next regular payday, as designated under section 95-2 of this chapter,

either through the regular pay channels or by mail if requested by the employee, wages earned at the time of suspension or layoff.

"Section 95-4. Unconditional payment of wages conceded to be due.

"(a) In case of a dispute as to the amount of wages, the employer shall pay, without condition and within the time set by this chapter, all wages, or parts thereof, conceded by him to be due, leaving to the employee all remedies he might otherwise be entitled to, including those provided under this chapter, as to any balance claimed.

"(b) The acceptance by an employee of a payment under this section shall not constitute a release or accord and satisfaction with respect to the disputed amount and any release required by an employer as a condition to payment shall be in violation of this chapter and shall be null and void.

"Section 95-5. Withholding of wages. No employer may deduct or retain any part or portion of any compensation earned by any employee except where required by federal or state statute or by court process or when such deductions are authorized in writing by the employee, provided that deductions for the following may not be so authorized or collected: (1) fines; (2) cash shortage in a common money till, cash box or register used by two or more persons; (3) breakage; (4) losses due to acceptance by an employee of checks which are subsequently dishonored if such employee is given discretion to accept or reject any check; or (5) losses due to defective or faulty workmanship, lost or stolen property, damage to property, default of customer credit or non-payment for goods or services received by customer if such losses are not attributable to employee's wilful or intentional disregard of employer's interest."

"Section 95-6. Notification, posting, and records.

"Every employer shall:

"(a) notify his employees in writing, at the time of hiring of the rate of pay, and of the day, hour, and place of payment,

"(b) notify his employees in writing or through a posted notice maintained in a place accessible to his employees of any changes in the arrangements specified above prior to the time of such changes,

"(c) make available to his employees in writing or through a posted notice maintained in a place accessible to his employees policies with regard to vacation pay and sick leave,

"(d) furnish each employee at every payday a legible printed, typewritten or handwritten record showing the employee's total gross compensation, the amount and purpose of each deduction, total net compensation, date of payment and pay period covered; and maintain and preserve a copy of such record or its equivalent for a period of at least six years, and

"(e) keep posted in a place accessible to his employees such notices pertaining to the application of this chapter as shall be prescribed by the director.

"Section 95-7. Provisions of law may not be waived by agreement. Except as provided in section 95-11, no provision of this chapter may in any way be contravened or set aside by private agreement.

"Section 95-8. Enforcement.

"(a) The director shall enforce and administer the provisions of this

chapter and the director or his authorized representatives are empowered to hold hearings and otherwise to investigate charges of violations of this chapter and to institute actions for penalties hereunder.

“(b) The director or his authorized representatives are empowered to enter and inspect such places, question such employees, and investigate such facts, conditions, or matters as they may deem appropriate to determine whether any person has violated any provision of this chapter or any rule or regulation issued hereunder or which may aid in the enforcement of the provisions of this chapter.

“(c) If any judgment obtained by the director against an employer for nonpayment of wages remains unsatisfied for a period of thirty days after the time to appeal therefrom has expired and no appeal is pending or after such judgment has been finally affirmed on appeal, the director may institute proceedings in the name of the State in the circuit court in which such employer has his principal place of business to compel such employer to cease doing any business until such judgment has been satisfied.

“Section 95-9. Penalties. Any employer who wilfully violates any provisions of sections 95-2 and 95-3 of this chapter, or who wilfully fails to comply with any other requirements of this chapter, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not more than \$500 or imprisoned not more than six months, or both.

“Section 95-10. Employees’ remedies.

“(a) Action by an employee to recover unpaid wages may be maintained in any court of competent jurisdiction by any one or more employees for and in behalf of himself or themselves, or such employee or employees may designate an agent or representative to maintain such action.

“(b) Whenever the director determines that wages have not been paid, and that such unpaid wages constitute an enforceable claim, the director may upon the request of the employee take an assignment in trust for such wages without being bound by any of the technical rules respecting the validity of any such assignments and may bring any legal action necessary to collect such claim. With the consent of the assigning employee at the time of the assignment the director shall have the power to settle and adjust any such claim to the same extent as might the assigning employee.

“(c) The court in any action brought under this subsection shall, in addition to any judgment awarded to the plaintiff or plaintiffs, allow costs of action, including costs of fees of any nature, and reasonable attorney’s fees, to be paid by the defendant. The director shall not be required to pay the filing fee or other costs or fees of any nature or to file a bond or other security of any nature in connection with such action or with proceedings supplementary thereto, or as a condition precedent to the availability to the director of any process in aid of such action or proceedings. The director shall have the power to join various claimants in one preferred claim or lien, and in case of suit to join them in one cause of action.

“(d) When the business of any person, corporation, company or firm is suspended as a result of a writ of execution or attachment or is

placed in the hands of a receiver, trustee or assignee for creditors, then in all such cases claims for wages of not more than \$300 to each claimant, earned within six months of the date such business is suspended or placed in the hands of a receiver, trustee or assignee for creditors, shall be paid in full prior to the payment of taxes or any other debts except a debt secured by a mortgage duly recorded before the wages were earned.

“(e) Any employee desiring to enforce his claim for wages under subsections (d), (e) and (f) of this section shall present a statement under oath showing the amount due, the kind of work for which such wages are due, and when such work was performed to the office or person charged with such property within twenty days after the seizure thereof on any execution or writ of attachment or within sixty days after such property has been placed in the hands of a receiver, trustee or assignee for creditors. Any interested party may contest any such claim or part thereof by filing sworn exceptions thereto with such officer or person within ten days after the period for filing claims, and thereupon the claimant shall be required to reduce his claim to judgment before any part thereof shall be paid.

“(f) No claim shall be paid until after the expiration of the time for filing and contesting claims. If the funds realized from the sale of the property are insufficient to pay the total claims for wages presented, then such funds shall be prorated on such claims.

“**Section 95-12.* Rules and regulations.** The director is authorized to issue such rules and regulations as he determines necessary for the purpose of carrying out the provisions of this chapter.

“**Section 95-13. Separability of provisions.** If any provision of this chapter, or the application thereof to any person or circumstance, is held invalid, the remainder of the chapter, and the application of such provision to other persons or circumstances shall not be affected thereby.”

SECTION 4. This Act shall take effect on January 1, 1964.

(Approved June 3, 1963.) **H.B. 429.**

* So in original. Section number “95-11” apparently inadvertently omitted.

ACT 159

A Bill for an Act Relating to the Establishment, Administration and Taxation of Orchards Producing Merchantable Fruits and Nuts.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Declaration of policy. The purpose of this Act is to encourage the use of private and leasehold property for the establishment of orchards producing merchantable fruits and nuts if such use is the highest and best use of such property. The establishment of such orchards will enhance the economic development of the State and ultimately will broaden the tax base.

SECTION 2. Definitions. When used herein:

- (a) “Board” means the board of agriculture;
- (b) “Department” means the department of agriculture;
- (c) “Orchard property” means any property (as defined in section

128-1 of the Revised Laws of Hawaii 1955, as amended) classified as orchard property pursuant to the provisions of this Act; and

(d) The term "owner" shall include a lessee of real property with an unexpired lease term of not less than the period of the agreement provided in section 5 of this Act.

SECTION 3. Eligibility; application. The owner of any property which is suitable for the raising of merchantable fruits or nuts having a normal period of development from the initial time of planting to the first harvest of not less than three years and which contains an area sufficient to make such undertaking economically feasible may apply to the board for the classification of his property as orchard property.

The board shall prescribe the form of the application. The application shall be filed with the board by July 1 of any calendar year.

SECTION 4. Classification, appeal. Upon a finding by the board that the property described in the application is eligible for classification as orchard property, the board shall, on or before September 1 immediately following the date of filing of such application, notify the department of taxation in writing of its finding. Within seventy-five days after receipt of such notification, the department of taxation shall make a finding of fact as to the highest and best use of the property and shall inform the board of its finding in writing. Such finding shall be based upon all available information on soils, climate, land use trends, use of surrounding similar lands and other criteria as may be appropriate and shall specify the orchard crop, if any, which is best suited for the property.

If the department of taxation finds that the highest and best use of the property is for the raising of trees producing fruits or nuts having a normal period of development from the initial time of planting to the first harvest of not less than three years and that the property contains an area sufficient to make such undertaking economically feasible, the application shall be approved by the board and the department of taxation and the property shall be classified as orchard property. The owner may appeal any disapproved application as in the case of an appeal from an assessment.

SECTION 5. Agreement. Upon approval of the application, the owner shall enter into an agreement with the board relative to the establishment and management of the orchard property. The agreement shall contain the following terms and conditions:

(a) The term of the agreement shall be for two years beyond the normal period of development from the initial time of planting to the first harvest of the orchard crop determined by the board to be best suited for the orchard property;

(b) The owner shall plant and maintain trees producing fruits or nuts of a commercial specie, as determined by the board, in accordance with the rules and regulations established by the board. The planting shall be commenced within one year following the execution of the agreement on such acreage as the board shall determine. Each year subsequent to the first year, the owner shall plant such trees on equivalent acreage until such time as all the orchard property is under good orchard management practices;

(c) Any owner of orchard property may withdraw all or part of such property from the operations of this Act at any time by making written application to the board and such application shall be approved subject to the conditions specified in section 7 of this Act; provided, however, that the provisions of section 7 shall not apply if the owner shall have faithfully complied with the terms and conditions contained in the agreement for one crop cycle;

(d) The agreement shall be cancelled and terminated and the property shall thereby be declassified and become subject to the conditions specified in section 7 of this Act if, upon investigation, the board determines that the owner of the orchard property is not complying with the provisions of this Act or of the agreement; and

(e) The agreement shall also contain such other terms and conditions set by the board.

SECTION 6. Exemption from real property tax. Orchard property, during the period of such classification, shall be exempt from real property taxes set forth in chapter 128 of the Revised Laws of Hawaii 1955, as amended; provided, however, that this exemption shall take effect as of January 1 of the year following the execution of the agreement provided in section 5 of this Act and shall in any event terminate on December 31 of the year of expiration of such agreement.

SECTION 7. Declassification. Upon declassification by the board, for reason of failure on the part of the owner to comply with the terms and conditions contained in the agreement, or to comply with the provisions of this Act or with the minimum standards set by the board, of all or any portion of the orchard property, the board shall notify the owner and the department of taxation of such declassification. In such event, the department of taxation

(a) shall cancel the exemption from property taxes on the property which has been declassified retroactive to the date that such property became exempt from real property taxes as provided by section 6 hereof and the property taxes that would have become due and payable (but for the exemption) for all the years that such exemption was in effect on such declassified property shall become immediately due and payable together with a five per cent per annum penalty from the respective dates that those tax payments would otherwise have been due; and

(b) shall thereafter assess and tax such declassified property and the owner thereof as provided in chapter 128 of the Revised Laws of Hawaii 1955, as amended.

Willful destruction of all or any portion of the orchard by an owner thereof shall be grounds for declassification but destruction thereof or damage thereto by causes or persons beyond the control of the owner shall not be construed as willful action or negligence of the owner.

If, upon declassification of any portion of orchard property, the property of the owner in the same vicinity remaining classified as orchard property shall be so small as to fail to be an economically feasible operation, under standards previously determined, such orchard property shall be declassified.

SECTION 8. Determination of marketability; harvesting. When, as determined by the department, the fruits or nuts growing on any orchard property become suitable for marketing, the fruits or nuts shall

be harvested for sale within a reasonable time after such determination is made and the failure to follow such a course of action shall be grounds for declassification as provided in section 7 of this Act.

SECTION 9. Additional lands. The owner may at any time apply to the board to have additional acreage classified as orchard property subject either to a new agreement or to the principal agreement; provided that if such land is in the same vicinity of the original orchard property and the area is less than the economic unit for such undertaking it shall become a part and parcel of the original unit and shall be subject to the terms of the principal agreement.

SECTION 10. Effective date. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 622.**

ACT 160

A Bill for an Act Relating to the Retirement Age of Teachers and Educational Officers, Amending Chapter 38, Part I, of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 38, part I, of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section thereto to be appropriately numbered and reading as follows:

"Sec. 38- Age limit. No teacher or educational officer in the department of education who has attained the age of sixty-five years shall be employed by the department of education, whether by appointment or contract, except when no qualified person is available and then only under contract for periods not to exceed six months at a time. No teacher or educational officer who has attained the age of seventy years shall be on appointment or contract."

SECTION 2. This Act, upon its approval, shall take effect on June 30, 1965.

(Approved June 3, 1963.) **H.B. 714.**

ACT 161

A Bill for an Act Relating to the Powers of the Comptroller of the Department of Accounting and General Services to Make Rules and Regulations Controlling Parking on State Lands and to Provide for Penalties for Violation of the Same, and Appropriating the Sum of \$50,000 to Purchase and Install Parking Meters and Other Parking Facilities on State Lands and Providing That the Proceeds Therefrom be Deposited Into the State Parking Revolving Fund of the State of Hawaii, and Amending Chapter 110 of the Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 110 of the Revised Laws of Hawaii 1955 is

hereby amended by adding the following section:

"Sec. 110-8. Parking: control by comptroller.

(a) The comptroller shall assess and collect uniform fees for parking for all government officials and employees, install parking meters, and restrict and otherwise control parking on all state lands within his jurisdiction.

(b) The comptroller may make such rules and regulations as may be found necessary to carry out the objects and provisions of this section relating to the control and restriction of parking on all lands of the State which are within his jurisdiction. Such rules and regulations shall be promulgated as provided in chapter 6C, Revised Laws of Hawaii 1955, as amended.

(c) Any person who violates any of the rules and regulations promulgated by the comptroller shall be guilty of a misdemeanor and shall be fined not more than \$50 or imprisoned not more than 10 days, or both, for each violation.

(d) It shall be the duty of the officers of the police department or such other officers as are assigned by the chief of police to enforce the provisions of this section.

(e) There is hereby appropriated out of the general fund of the State the sum of \$50,000 into a fund hereby created to be known as the "State parking revolving fund" which fund is to be used to carry out the purposes of this Act. Such amounts shall be expended by the comptroller from such fund, as may be necessary, to defray the cost of paving parking areas, the purchase and installation of parking meters and the operation thereof, and of other parking facilities on state land within his jurisdiction.

(f) All fees, charges and other moneys collected pursuant to the provisions of this Act shall be deposited in the state parking revolving fund.

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 996.**

ACT 162

A Bill for an Act Relating to Buddha Day.

WHEREAS, brotherhood of men throughout the world can only be fostered through greater understanding of the various cultures of the world; and

WHEREAS, international exchange of culture, commerce and technology has become in part a reality through the establishment of the East-West Center in Hawaii; and

WHEREAS, Buddha Day is observed each year on April 8 in celebration of the birthday of Gautama Buddha by thousands of people in the State of Hawaii; and

WHEREAS, Hawaii endowed with its cosmopolitan people and ideal geographical location can take leadership in opening the pathway to

greater understanding between the Buddhist religion of the East and religions of the West; now, therefore,

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 1-43 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new paragraph at the end of the section to read as follows:

"The 8th day of April of each year shall be known and designated as "Buddha Day", provided that this day is not and shall not be construed to be a state holiday".

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 1038.**

ACT 163

A Bill for an Act Relating to State Resort Camps and Services.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to augment the state park program and thereby attain the aims of (1) conservation and development of the natural beauty, objects and places of historic and cultural interest, sightliness and physical good order in the State as set forth in article VIII, section 5, of the Constitution of the State of Hawaii; (2) promotion of conservation, development and utilization of natural resources as set forth in article X, section 1, of the Constitution of the State of Hawaii; and (3) advancing the recreational use of public lands as set forth in Act 32, Session Laws of Hawaii 1962, and in chapter 19, Revised Laws of Hawaii 1955, as amended.

SECTION 2. The department of land and natural resources shall plan for, establish and develop a state resort facility on available and suitable public lands in each county.

SECTION 3. The department of land and natural resources shall also plan, construct, operate and maintain all necessary public improvements and utility services at each site selected by the department for the establishment and development of a state resort facility. Such improvements and services shall include, but not limited to, land improvement, road construction and facilities to provide potable water, electric or gas energy, sanitation, telephone communication, fire prevention, and public safety.

SECTION 4. The development of necessary and appropriate accommodations, facilities and services at each resort facility site for public use and enjoyment consistent with the preservation and conservation of natural resources and places of historic interest may be undertaken under any concession agreement entered pursuant to the provisions of chapter 7B, Revised Laws of Hawaii 1955, as amended; provided that no concession shall be granted if adequate and comparable private accommodations exist to serve the public within the area of a state resort facility.

SECTION 5. The department of land and natural resources shall have the following powers and duties with respect to concessions at state resort facilities:

(a) To approve plans and specifications for construction of improvements by concessionaires and to require adherence to such plans and specifications in erecting approved structures;

(b) To require concessionaires to offer a reasonable proportion of their accommodations as low-priced accommodations;

(c) To limit merchandising in any state resort facility area to items and services appropriate or necessary for public use and enjoyment within such facility area;

(d) To encourage the sale of appropriate souvenirs of authentic handicraft and of articles associated with or interpretative of the state resort facility area;

(e) To approve rates and fees to be charged by the concessionaires to the public on the basis of charges for comparable goods and services, in accordance with general custom for similar operations outside of the state resort facility area and with due regard to a reasonable profit, risk of the enterprise, length of season, accessibility, cost, value of the assets, and other relevant factors;

(f) To require concessionaires to carry such insurance as the department deems necessary;

(g) To audit the concessionaires' books, records and accounts and to specify information to be included in such books, records and accounts;

(h) To require, and specify the information to be included in, annual reports from concessionaires;

(i) To prepare and provide a standard contract to be used between the concessionaires and the department; and

(j) To promulgate rules and regulations governing the administration and management of state resort facility areas.

SECTION 6. Whenever practicable, the department shall operate and maintain accommodations, facilities and services under concession agreements entered in accordance with chapter 7B, Revised Laws of Hawaii 1955, as amended.

SECTION 7. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 1099.**

ACT 164

A Bill for an Act Authorizing Suit Against the State of Hawaii by Helen Campos for Claimed Losses Caused by the Failure of the Hawaiian Homes Commission to Honor its Commitments.

WHEREAS, in the period between November, 1950 and January, 1952, the Hawaiian homes commission made certain commitments to Helen Campos, promising that certain Hawaiian home lands on the island of Hawaii would be assigned to her as a homesteader under the Hawaiian homes commission act, for the purpose of producing dairy products thereon; and

WHEREAS, relying upon said commitments, Helen Campos did during said period, with full knowledge and consent of the Hawaiian homes commission, expend time and money in an effort to produce dairy products thereon; and

WHEREAS, the Hawaiian homes commission, instead of assigning to Helen Campos the lands in question, forced her in January, 1952, to vacate same; and

WHEREAS, by failure of the Hawaiian homes commission to honor their commitments to Helen Campos, the latter suffered great damages; and

WHEREAS, it is alleged that the damages suffered by Helen Campos were caused by the failure of the State of Hawaii (formerly Territory of Hawaii) or its officers, employees, or agents, to honor its commitments; now, therefore,

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Helen Campos is hereby authorized to sue the State of Hawaii in an appropriate state court to recover damages which are allegedly due to the failure of the State or of its officers, employees or agents to honor its commitments. For the purpose of this Act and the adjudication of any such claim, the immunity of the State to suit is hereby waived, and said Helen Campos may proceed against the State as in the case of any other defendant, subject to the same procedures and defenses, except for the defense of immunity from suit or of the statute of limitations, the provisions of which are hereby expressly waived; provided that nothing contained herein shall be construed as an admission of liability on the part of the State.

SECTION 2. The claimant Helen Campos shall commence the action authorized by this action in an appropriate state court within two years from the effective date of this Act.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 1105.**

ACT 165

A Bill for an Act Relating to the Surplus Federal Property Revolving Fund and Amending Section 12-13, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 12-13 of the Revised Laws of Hawaii 1955, as amended is further amended by changing the figure \$100,000 in the fourth line to read \$50,000.

SECTION 2. This Act is to take effect upon its approval.

(Approved June 3, 1963.) **H.B. 1134.**

ACT 166

A Bill for an Act Authorizing the Comptroller of the Department of Accounting and General Services to Issue Revenue Bonds for the Construction of a Multi-Deck Parking Structure on State Land, Such Bonds to be Reimbursed From Fees Collected From Parking Meters and Other Parking Facilities.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Bonds. For the purpose of paying the cost of the construction of a multi-deck parking structure on state land, the comptroller of the department of accounting and general services is authorized by certificate to issue revenue bonds in the amount of \$920,000 or such amount thereof as may be necessary, pursuant to chapter 137, part III, Revised Laws of Hawaii 1955, as amended, which such bonds shall constitute obligations of the undertaking and shall be payable from all or such part of the gross revenues from the operation of a multi-deck parking structure on state land and from other fees and charges collected from parking meters and other parking facilities as may be provided for in the certificate of the comptroller.

SECTION 2. Repayment of bonds. The revenue bonds shall contain such recital that the payment or redemption of the bonds and payment of the interest thereon is secured by the direct charge and lien upon the tolls, charges, rents, and gross revenues pledged for that purpose in the certificate issued by the comptroller and that such bonds do not constitute an indebtedness of the State.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 1135.**

ACT 167

A Bill for an Act to Amend Chapter 3 of the Revised Laws of Hawaii 1955, as Amended, Relating to Filling of Vacancies.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 3-21 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new paragraph at the end of subsection (e) to read as follows:

“An employee filling a permanent position temporarily vacant may be given a permanent appointment to the position if it later develops that the vacancy will be permanent, provided he was originally appointed from an appropriate eligible list and the appointing authority certifies that he has been performing the duties of the position in a satisfactory manner.”

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 1220.**

ACT 168

A Bill for an Act Amending Appropriate Provisions of Chapter 93, Revised Laws of Hawaii 1955, as Amended, Relating to Contributions Required of Employers to be Paid Into the State Unemployment Compensation Fund.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subsection (a) of section 93-60, Revised Laws of Hawaii 1955 shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof the following provisions shall apply during the foregoing period:

“(a) Contributions with respect to wages for employment shall accrue and become payable by each employer subject to this chapter for the period July 1, 1963 to December 31, 1963 and for the period January 1, 1964 to June 30, 1964. Such contributions shall become due and be paid by each employer to the director for the fund in accordance with such regulations as the director may prescribe, and shall not be deducted, in whole or in part from the wages of individuals in such employer's employ.”

SECTION 2. Subsection (a) of section 93-61, Revised Laws of Hawaii 1955, as amended, shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof, the following provisions shall apply during the foregoing period:

“(a) Each employer shall pay contributions equal to 2.7 per cent of wages paid by him during the twelve-month period July 1, 1963 to June 30, 1964 with respect to employment, except as otherwise prescribed in this part.”

SECTION 3. Subsection (d) of section 93-62, Revised Laws of Hawaii 1955, shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof the following provisions shall apply during the foregoing period:

“(d) ‘Contributions’ includes (1) the money payments required by this chapter to be made into the fund by any employing unit on account of having individuals in its employ, (2) ninety per cent of taxes which were paid on or before January 31, 1938 pursuant to Title IX of the Social Security Act with respect to employment in this State during the calendar year 1936; provided, that any such tax referred to in (2) above shall be included in the term ‘contributions,’ as applied to any employing unit, only if and after such employing unit furnishes to the director evidence, satisfactory to the director, of the amount of such tax and of the payment thereof by such employing unit, and in case such evidence has not been presented prior to the time of the determination by the director of the contribution rate of any employing unit for any period, such tax paid by such employing unit shall not be considered as part of the contributions of such employing unit for the purpose of the computation of its contribution rate for such period. ‘Contributions’ does not include penalties or interest for delinquency in payments.”

SECTION 4. Section 93-63, Revised Laws of Hawaii 1955, shall not apply during the twelve-month period July 1, 1963 to June 30, 1964

and in lieu thereof the following provisions shall apply during the foregoing period:

"Credits for contributions. The director shall maintain a separate account for each employer and shall credit his account with all contributions paid by him as of the date of payment. Nothing in this chapter shall be construed to grant any employer or individuals in his service prior claims or rights to the amounts paid by the employer into the fund."

SECTION 5. The first paragraph of section 93-65, Revised Laws of Hawaii 1955, as amended, and the subsections thereof designated (a), (b), and (c) shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof the following provisions shall apply during the foregoing period:

"Contribution rates, how determined. The director shall for the six-month period July 1, 1963 to December 31, 1963 and for the six-month period January 1, 1964 to June 30, 1964 classify employers in accordance with their actual experience in the payment of contributions and with respect to benefits charged against their accounts with a view to fixing such contribution rates as will reflect such experience. He shall determine the contribution rate of each employer in accordance with the following requirements:

"(a) The standard rate of contributions payable by each employer shall be 2.7 per cent.

"(b) An employer's rate shall be 2.7 per cent unless and until his account has been chargeable with benefits throughout the thirty-six consecutive calendar-month period ending on December 31 of the preceding calendar year.

"(c) No employer's rate shall be reduced in any amount which is not allowable as an additional credit, against the tax levied by the federal unemployment tax act, pursuant to the provisions of section 3302 (b) of such Act, or pursuant to the provisions of any other federal statute, successor to section 3302 (b) which provides for the additional credit now provided for in section 3302 (b)."

SECTION 6. Section 93-66, Revised Laws of Hawaii 1955 shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof the following provisions shall apply during the foregoing period:

"Relation of credits to charges. Variations from the standard rate of contributions shall be determined in accordance with the following requirements:

"For the period July 1, 1963 to December 31, 1963, if the total of an employer's contributions credited to his account as provided by section 93-63 for all periods prior to January 1, 1963, including those paid on or before January 31, 1963 with respect to wages paid by him prior to January 1, 1963, and also including any money payments in excess of the requirements of this chapter made voluntarily by him prior to April 30, 1963, exceeds the total benefits chargeable to his account for all periods prior to January 1, 1963, his contribution rate shall be as provided by section 7 of this Act.

"For the period January 1, 1964 to June 30, 1964 if the total of an employer's contributions credited to his account as provided by section

93-63 and this Act for all periods prior to January 1, 1964, including those paid on or before January 31, 1964 with respect to wages paid by him prior to January 1, 1964, and also including any money payments in excess of the requirements of this chapter made voluntarily by him prior to April 30, 1963, exceeds the total benefits chargeable to his account for all periods prior to January 1, 1964, his contribution rate shall be as provided by section 7 of this Act."

SECTION 7. Section 93-67, Revised Laws of Hawaii 1955 shall not apply during the twelve-month period July 1, 1963 to June 30, 1964 and in lieu thereof the following provisions shall apply during the foregoing period:

"Rates based on experience. Subject to the requirements of the applicable portions of sections 93-62 to 93-66, section 93-68, and this Act, an employer's rate for the six-month period July 1, 1963 to December 31, 1963 and for the six-month period January 1, 1964 to June 30, 1964 shall be:

"(a) 3.0 per cent if such excess is less than 5.5 per cent of his average annual payroll.

"(b) 2.8 per cent if such excess equals or exceeds 5.5 per cent but is less than 6.0 per cent of his average annual payroll.

"(c) 2.6 per cent if such excess equals or exceeds 6.0 per cent but is less than 6.5 per cent of his average annual payroll.

"(d) 2.4 per cent if such excess equals or exceeds 6.5 per cent but is less than 7.0 per cent of his average annual payroll.

"(e) 2.2 per cent if such excess equals or exceeds 7.0 per cent but is less than 7.5 per cent of his average annual payroll.

"(f) 2.0 per cent if such excess equals or exceeds 7.5 per cent but is less than 8.0 per cent of his average annual payroll.

"(g) 1.8 per cent if such excess equals or exceeds 8.0 per cent but is less than 8.5 per cent of his average annual payroll.

"(h) 1.6 per cent if such excess equals or exceeds 8.5 per cent but is less than 9.0 per cent of his average annual payroll.

"(i) 1.4 per cent if such excess equals or exceeds 9.0 per cent but is less than 9.5 per cent of his average annual payroll.

"(j) 1.2 per cent if such excess equals or exceeds 9.5 per cent but is less than 10.0 per cent of his average annual payroll.

"(k) 1.0 per cent if such excess equals or exceeds 10.0 per cent of his average annual payroll."

SECTION 8. This Act shall take effect on July 1, 1963 and shall expire on June 30, 1964.

(Approved June 3, 1963.) **H.B. 1258.**

ACT 169

An Act Making an Appropriation to Provide for the Training of Severely Mentally Retarded Persons.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. There is hereby appropriated out of the general revenues of the State of Hawaii, not otherwise appropriated, the sum

of \$40,500 to provide for the training of severely mentally retarded persons.

SECTION 2. The sum hereby appropriated shall be expended by the department of education for the work training program of the division of vocational rehabilitation for training severely mentally retarded persons. The sum shall be expended on this program in the four principal islands as follows: Kauai—\$7,500; Hawaii—\$7,500; Maui—\$7,500, and Oahu—\$18,000.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 861.**

ACT 170

An Act Relating to Federal-Aid Highways and County Highway Plans.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 111, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new section thereto, to be appropriately numbered and to read as follows:

"Sec. 111- Conformance with county general or master plans. All federal-aid highways shall conform to the general or master plans of the respective political subdivisions of the State unless such conformance jeopardizes the receipt of federal aid, in which case the governor, by executive order, may set aside the general or master plan to the extent any conflict prevents the receipt of federal aid on any given project or the prosecution of the work thereunder."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 1156.**

ACT 171

A Bill for an Act Amending Section 112-22 of the Revised Laws of Hawaii 1955, Relating to Maintenance of Fire Boat.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 112-22 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Section 112-22. Maintenance of fire boat. The cost of operating and maintaining the fire boat transferred to the city and county of Honolulu under Act 175 of the Session Laws of 1951 by and through the city and county of Honolulu shall be borne by the board. For this purpose, the board shall pay annually from its special fund to the city and county of Honolulu such annual cost."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 1165.**

ACT 172

An Act Relating to County Liquor Commissions and Amending Chapter 159, Revised Laws of Hawaii, 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to amend the law to place the liquor commissions of the four counties under the jurisdiction of the respective counties.

SECTION 2. Chapter 159 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following respects:

(a) By amending the definition of "Regulation" appearing in section 159-1 thereof to read as follows:

"'Regulation' shall mean any regulation prescribed by the commission with the approval of the elected executive head of the county for carrying out the provisions of this chapter."

(b) By amending section 159-10 thereof to read as follows:

"Sec. 159-10. County liquor commissions: qualifications; compensation. A liquor commission, consisting of five members, no more than three of whom shall belong to the same political party at the time of appointment, is created for each of the counties. The elected executive head of each county shall nominate, and by and with the advice and consent of the legislative body of the county, shall appoint the members of the commissions. The elected executive head of each county may, by and with the advice and consent of the legislative body of the county, remove from office any of such members. The commission shall designate one of its members as chairman. Each member shall be a citizen of the United States and shall have resided in the county for which appointed for at least three years immediately preceding the date of his appointment.

The terms of office of the members who are holding office on the effective date of this Act shall expire 30 days from the effective date of the Act.

The five succeeding members of the commission shall be appointed, one for a term to expire on December 31, 1965, one for a term to expire on December 31, 1966, one for a term to expire on December 31, 1967, one for a term to expire on December 31, 1968, and one for a term to expire on December 31, 1969. Upon the expiration of the term of each commissioner, his successor shall be appointed for a term to expire five years from the date of the expiration of the preceding term.

The tenure in office of every commissioner shall be for the terms provided and until their successors are duly appointed and qualified.

Any vacancy shall be filled by appointment for the remainder of the unexpired term. No person shall be a member of any commission who is or becomes engaged, or is directly or indirectly interested in any business for the manufacture or sale of liquor or who advocates or is or becomes a member of, or is identified or connected with, any organization or association which advocates prohibition, or who is an elected officer of the state or county government or who presents himself as a candidate for election to any public office during the term of his appointment hereunder. This provision shall be enforced by the elected

executive head of the counties by the removal of the disqualified member whenever such disqualifications shall appear.

The members of the commission shall be allowed their reasonable expenses, for travel and other costs necessarily incidental to the discharge of their duties and shall each receive and be paid compensation for his services at the rate of \$10 per day for each day's actual attendance upon their duties; provided, that they shall not receive more than \$100 each per month on account of such compensation.

Each member of the commission, before entering upon the duties of his office, shall take and subscribe to an oath that he will faithfully perform such duties according to law, which written oath shall be filed with the elected executive head of each county."

(c) By amending section 159-14 thereof to read as follows:

"Sec. 159-14. Reports, accounts, audit. On or before January 31 of each year the chairman of the commission shall submit to the elected executive head of the county a full report upon the business and operations of the commission during the preceding calendar year, with such other matters of information and comment as said elected executive head may deem appropriate. The elected executive head shall furnish copies thereof to the legislative body of the county and to the fiscal officer of the county.

The accounts of the commissions for the several counties shall be regularly examined by the fiscal officer who shall report thereon in writing to the legislative body of the several counties."

(d) By amending section 159-15 of the Revised Laws of Hawaii 1955, as amended, to read as follows:

"Sec. 159-15. County liquor commission funds; disposition of realizations; payment of expenses. All fees and other monies collected or received by each commission under the provisions of this chapter shall be paid weekly or oftener into the general fund of the respective county. All expenses of the commission, including expenses and compensation of its members and expenses and salaries of its subordinates, shall be paid in the manner provided by law out of the general fund of the county."

(e) By amending subsection (c) of section 159-16 thereof to read as follows:

"(c) From time to time to make, amend and repeal such rules and regulations, not inconsistent with this chapter, as in the judgment of the commission seem appropriate for the carrying out of the provisions of this chapter and for the efficient administration thereof, and the proper conduct of the business of all licensees, including every matter or thing required to be done or which may be done with the approval or consent or by order or under the direction or supervision of or as prescribed by the commission; which rules and regulations, when approved by the elected executive head of the county and promulgated and filed as provided in chapter 6C, as amended, shall have the force and effect of law;".

(f) By amending section 159-1 thereof by adding a new paragraph thereto as follows:

"'Elected executive head' shall include the chairman of the board of supervisors of each county and the mayor of the city and county of

Honolulu and any duly appointed or elected successor to the said officers."

SECTION 3. All employees and officers of the commission presently in office are hereby transferred, without loss in pay, vacation allowances, service credits and other rights and privileges, from the classified service of the State to the classified service of the county or city and county as the case may be in accordance with existing laws.

SECTION 4. All rules and regulations heretofore adopted by the liquor commission for each county and approved by the governor are hereby continued in full force and effect until such time as they are repealed or amended in accordance with law.

SECTION 5. **Severability.** If any section, subsection, sentence, clause or phrase of this Act is, for any reason, held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Act. The legislature hereby declares that it would have approved this Act and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more other sections, subsections, sentences, clauses or phrases be declared unconstitutional.

SECTION 6. All laws or parts of laws inconsistent with this Act are hereby repealed to the extent of such inconsistency.

SECTION 7. This Act shall take effect on January 1, 1965.

(Approved June 3, 1963.) **S.B. 11.**

ACT 173

An Act Relating to the Public Lands of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Subsection -11, section 2 of Act 32, Session Laws of Hawaii 1962 is hereby amended to read as follows:

"Section -11. **Public purposes, lands set aside by the governor; management.** The governor may, after giving notice to the appropriate board of supervisors or city council of the county where the land is located and with the prior approval of the board, set aside public lands to any department or agency of the State, the city and county, county or other political subdivisions of the State for public use or purpose. All withdrawals of such lands or portions thereof so set aside shall be made by the governor.

Lands while so set aside for such use or purpose or when acquired for roads and streets shall be managed by the department, agency, city and county, county or other political subdivisions of the State having jurisdiction thereof, unless otherwise provided by law. Such department, agency of the State, the city and county, county or other political subdivisions of the State in managing such lands shall be authorized to exercise all of the powers vested in the board in regard to the issuance of leases, licenses, revocable permits, concessions or rights of entry covering such lands for such use as may be consistent with the purposes

for which the lands were set aside on the same terms, conditions and restrictions applicable to the disposition of public lands, all dispositions being subject to the approval of the board. If, at the time of the disposition of any such leases the board shall have approved the same, any order withdrawing or setting aside any or all of such lands for any other public purpose shall be made subject to the provisions of section 5(f) of the Act of March 18, 1959 (73 Stat. 6), all proceeds from such lands shall be deposited into the appropriate funds provided by law.

The provisions of this section shall also apply where the purposes are the uses and purposes of the United States; provided, however, that all revenues derived from such lands and improvements thereon shall be paid to the department by the United States.

Whenever lands set aside for a public purpose to the various departments and agencies of the State, or to any city and county, county or other political subdivisions of the State, or to the United States, are not being utilized for the public purpose stated, the order setting aside such lands shall be withdrawn and returned to the department.

The power granted to the governor in this section to set aside or withdraw public lands shall be exercised subject to disapproval by the legislature by a concurrent resolution in any regular or special session next following the date of such setting aside or withdrawal.

The board shall have the power to dispose of any and all real property interest in lands set aside to any department, agency of the State, city and county, county or other political subdivisions of the State where the disposition is for a use which is consistent or inconsistent with the purpose for which the land was set aside. All funds derived from disposition by the board shall be deposited in the general fund of the State of Hawaii or be paid to the appropriate account; provided, however, that all such dispositions shall be with the prior written approval of the department, agency, city and county, county or other political subdivisions of the State and the governor."

SECTION 2. This Act shall take effect upon approval.

(Approved June 3, 1963.) S.B. 436.

ACT 174

An Act Amending Chapter 93, Revised Laws of Hawaii 1955, as Amended, Relating to Employment Security.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 93-64, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read:

"**Sec. 93-64. Charges and noncharges for benefits.** (a) Except as otherwise provided in this section, benefits paid to an individual shall be charged against the accounts of his base period employers and the amount of benefits so chargeable against each base period employer's account shall bear the same ratio to the total benefits paid to the individual as the base period wages paid to the individual by such employer bear to the total amount of base period wages paid to the individual

by all of his base period employers. Benefits paid in benefit years beginning after June 30, 1963 shall be charged to employers' accounts in the calendar year in which such benefits are paid.

(b) Benefits, as hereinafter provided in this subsection, paid to an individual during the benefit year shall not be charged to the account of any of his base period employer from whose employment such individual became separated during the base period or the three-month period immediately preceding such benefit year under one of the following circumstances: (1) left his work voluntarily without good cause, or (2) was discharged for misconduct connected with his work, or (3) left his work voluntarily for good cause not attributable to the employer. Such nonchargeable benefits shall be an amount which shall bear the same ratio to the total benefits paid to the individual as the base period wages paid to the individual during any continuous period of employment ending with a separation in such base period or three-month period under circumstances (1), (2) or (3) enumerated above bear to the total amount of base period wages paid to the individual.

(c) Benefits paid to an individual, who, during his base period, earned wages for part-time employment with an employer, shall not be charged to the account of such employer if he continues to give the individual employment to the same extent while he is receiving benefits as during the base period and the employer establishes such fact to the satisfaction of the director."

SECTION 2. Chapter 93, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section, to be designated section 93-78, and to read as follows:

"Sec. 93-78. Combining agricultural labor performed for predecessor and successor employing units. If any employing unit succeeds to or acquires the organization or business of another, the number of employees who performed agricultural labor and the number of weeks during which such agricultural labor was performed for the predecessor and the successor shall be combined for the purpose of determining whether any agricultural labor is subject to this chapter."

SECTION 3. Subsection (o) of section 93-1, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read:

"(o) 'State' includes, in addition to the states of the United States, District of Columbia and Puerto Rico."

SECTION 4. Section 93-28, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding the following at the end thereof:

"Notwithstanding any provisions of this chapter to the contrary, a claimant shall not be denied benefits because of his regular attendance at a vocational training or retraining course which the director has approved and continues from time to time to approve for the claimant. The director may approve such course for a claimant only if (a) reasonable employment opportunities for which the claimant is fitted by training and experience do not exist in the locality or are severely curtailed; (b) the training course relates to an occupation or skill for which there are, or are expected to be in the immediate future, reasonable employment opportunities in the locality; (c) the training course is offered by

a competent and reliable agency; and (d) the claimant has the required qualifications and aptitudes to complete the course successfully.”

SECTION 5. Subsection (d) of section 93-97, Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting the first two sentences thereof and substituting therefor the following:

“In accordance with the provisions of paragraph (b) of section 93-90, the director may appoint one or more substitute referees to serve (1) during any temporary absence of the referee from his duties, (2) in the event the referee is disqualified to hear any appeal, (3) in the event of vacancy in the office of referee, or (4) if, for any reason, the director finds that the services of substitute referees are necessary for prompt and expeditious handling of appeals.”

and is further amended by deleting the figure “20” appearing in the third sentence thereof and substituting therefor the figure “40”.

SECTION 6. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 553.**

ACT 175

An Act Relating to Any Person Wearing Clothing of the Opposite Sex and Amending Section 314-2 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 314-2 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by adding subsection (k) to read as follows:

“(k) Wear clothing of the opposite sex in any public place with intent to deceive other persons by failing to identify his or her sex.”

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 870.**

ACT 176

An Act Relating to the Police Departments of the Various Counties.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 138, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto new sections to be appropriately numbered by the revisor of statutes and to read as follows:

“**Sec. 138- Police commissions; appointment.** A police commission consisting of 5 members, no more than 3 of whom shall belong to the same political party at the time of appointment is hereby created for each of the counties. The elected executive head, which term shall include the chairman of the board of supervisors of the respective counties and the mayor of the city and county of Honolulu as the case

may be and any duly appointed or elected successor, shall nominate, and by and with the advice and consent of the legislative body of the county, shall appoint the members of the commission. The elected executive head may, by and with the advice and consent of the legislative body of the county, remove from office any such member. No member of the commission shall be a salaried officer or employee of the State or any political subdivision thereof. Any member becoming a candidate for any elective office shall, upon the date of filing as a candidate be disqualified as a member of the commission and a new member shall be appointed to replace him. Each commissioner must at the time of his appointment be an elector of the respective county and must have been such for at least three years next preceding his appointment. The commissioners shall serve without remuneration, but may be reimbursed for their reasonable travel and other expenses incurred in the discharge of their duties. Subject to the provisions of chapters 3 and 4, the commission may employ such clerks, employees and other assistants at such salaries as it may find necessary.

Sec. 138- Terms of office. The terms of office of the members who are holding office on the effective date of this Act shall expire 30 days from the effective date of the Act.

The five succeeding members of the commission shall be appointed, one for a term to expire on December 31, 1965, one for a term to expire on December 31, 1966, one for a term to expire on December 31, 1967, one for a term to expire on December 31, 1968, and one for a term to expire on December 31, 1969. Upon the expiration of the term of each commissioner, his successor shall be appointed for a term to expire five years from the date of the expiration of the preceding term. Any vacancy in the commission occurring otherwise than by expiration of a term of office shall be filled for the remainder of such unexpired term in the manner provided by this Act.

Every commissioner shall hold office for the term herein provided and until his successor is duly appointed and qualified."

SECTION 2. All laws and parts of laws heretofore enacted which are in conflict with the provisions of this Act are hereby amended to conform herewith. The powers, duties and functions of the police commissions of the several counties heretofore provided by law shall continue in force after the effective date of this Act unless otherwise amended or repealed.

SECTION 3. This Act shall take effect on January 1, 1965.

(Approved June 3, 1963.) **S.B. 10.**

ACT 177

An Act Relating to Public Lands of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section -89, as listed under section 2 of Act 32, Session Laws of Hawaii 1962, is hereby amended to read as follows:

"Section -89. **Persons dispossessed or displaced.** For the purposes of this part, a person dispossessed or displaced by natural disaster means

any owner of land in possession or any lessee or tenant of land in possession, who has used the property for residence purposes immediately prior to the date the property was substantially destroyed by or as a result of a natural disaster or was made unfit for such purposes by or as a result of any urban redevelopment project which resulted from a natural disaster. Property shall be deemed unfit for residence purposes when so determined by the board, which determination shall be final, or if any law, ordinance or regulation of any governmental agency prohibits the construction of improvements on land in a disaster area."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 933.**

ACT 178

A Bill for an Act Relating to Vacation Leaves of Firemen.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 5-35 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Members of the fire departments of the several counties who have complied with the provisions of section 5-72 shall be entitled to and granted a vacation with pay each calendar year of two and one-half calendar days for each month of service; provided that such annual vacation, or any part thereof unused, may be accumulated for succeeding years, except that the total accumulation shall in no event exceed one hundred and thirty calendar days and shall be recorded without forfeiture. The vacation shall be granted at such time as the head of the department may designate but an employee's preference shall be given consideration."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 251.**

ACT 179

A Bill for an Act Making Supplementary Appropriations Out of the General Revenues to Cover Certain Deficiencies in State Departments for the Fiscal Year Ending June 30, 1963.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The following sums, or so much thereof as may be necessary, are hereby appropriated for purposes hereinafter specified, in addition to any appropriations made for the same or similar purposes by another act, out of moneys in the treasury received from general revenues:

SOCIAL SERVICES, DEPARTMENT OF	55,545
Economic Assistance:	
Payments to Indigents and Medically	
Indigent Children and Their Families.....	55,545
ATTORNEY GENERAL, DEPARTMENT OF	15,686
Attorney General's Office Proper.....	15,686
EXECUTIVE	19,891
Governor's Office	19,891
LIEUTENANT GOVERNOR, OFFICE OF THE	33,806
Lieutenant Governor's Office.....	13,534
Elections Administration	20,272
TAXATION, DEPARTMENT OF	11,084
Administration	1,514
Real Property Assessment.....	9,570

SECTION 2. All unexpended and unencumbered balances of the appropriations made by this Act as of the close of business on June 30, 1963, shall lapse into the general fund of the State.

SECTION 3. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 694.**

ACT 180

A Bill for an Act Relating to Employment, Making Unlawful Certain Discriminatory Practices With Respect to Employment.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. **Discriminatory practices made unlawful; offenses defined.** It shall be unlawful employment practice or unlawful discrimination:

(a) For an employer to refuse to hire or employ or to bar or discharge from employment, any individual because of his race, sex, age, religion, color or ancestry, provided that an employer may refuse to hire an individual for good cause relating to the ability of the individual to perform the work in question;

(b) For an employer to discriminate against any individual in compensation or in the terms, conditions or privileges of employment because of race, sex, age, religion, color or ancestry;

(c) For any employer or employment agency to print, circulate or cause to be printed or circulated any statement, advertisement or publication or to use any form of application for employment or to make any inquiry in connection with prospective employment, which expresses, directly or indirectly, any limitation, specification or discrimination as to race, sex, age, religion, color or ancestry, unless based on a bona fide occupational qualification;

(d) For any labor organization to exclude or expel from its membership any person or to discriminate in any way against any of its members, employer or employees because of race, sex, age, religion, color or ancestry;

(e) For any employer, labor organization or employment agency to discharge, expel, or otherwise discriminate against any person because he has opposed any practice forbidden by this Act or because he has filed

a complaint, testified or assisted in any proceeding respecting the employment practices and discrimination prohibited under this Act;

(f) For any person whether an employer, employee or not, to aid, abet, incite, compel or coerce the doing of any of the practices forbidden by the Act, or to attempt to do so.

SECTION 2. Enforcement jurisdiction: power of department to prevent unlawful discrimination. The state department of labor and industrial relations, hereinafter referred to as "department", shall have jurisdiction over the subject of employment practices and discrimination made unlawful by this Act. When it shall appear to it that an unlawful employment practice or discrimination may have been committed, the department shall make a prompt investigation in connection therewith. If it is determined after such investigation that further action is warranted, the department shall immediately endeavor to eliminate the unlawful employment practice or discrimination complained of by conference, conciliation and persuasion.

SECTION 3. Complaint against unlawful discrimination. Any person claiming to be aggrieved by an alleged unlawful employment practice or discrimination may file with the department a verified complaint in writing which shall state the name and address of the person, employer, labor organization or employment agency alleged to have committed the unlawful employment practice or discrimination complained of and which shall set forth the particulars thereof and contain such other information as may be required by the department. The state attorney general may, in like manner, make, sign, and file such complaint.

No complaint shall be filed after the expiration of ninety days after the alleged act of unlawful employment practice or discrimination.

SECTION 4. Proceeding on complaint. After the filing of any accusation, an investigation shall be made and an attempt to eliminate such practice or discrimination shall be made as provided in section 2 unless such attempt has previously been made.

In case of failure to eliminate such practice or discrimination, or in advance thereof if in the judgment of the department, circumstances warrant, a written accusation, together with a copy of such complaint, as the same may have been amended, shall be issued and served requiring the person, employer, labor organization or employment agency named in such accusation, hereinafter referred to as "respondent", to answer the charges of such accusation at a hearing.

SECTION 5. Same: hearing under administrative procedure act. Hearings held under the provisions of this part shall be conducted in accordance with the Hawaii administrative procedure act, chapter 6C.

SECTION 6. Same: findings and orders thereon: requirement that order show rights of appeal. If the department finds that a respondent has engaged in any unlawful employment practice or discrimination as defined in this part, the department shall state its findings of fact and shall issue and cause to be served on such respondent an order requiring such respondent to cease and desist from such unlawful employment practice or discrimination and to take such affirmative action, including (but not limited to) hiring, reinstatement or upgrading of employees, with or without back pay, or restoration to membership in

any respondent labor organization, as, in the judgment of the department, will effectuate the purpose of this part, and including a requirement for report of the manner of compliance. If the department finds that a respondent has not engaged in any such unlawful employment practice or discrimination, the department shall state its findings of fact and shall issue and cause to be served on the complainant an order dismissing the said accusation as to such respondent. A copy of its order shall be delivered in all cases to the attorney general, and such other public officers as the department deems proper.

Any order issued by the department shall have printed on its face references to the provisions of the Hawaii administrative procedure act which prescribe the rights of appeal of any party to the proceeding to whose position the order is adverse.

SECTION 7. Rules and regulations. The department shall make such rules and regulations, not inconsistent with this Act as in the judgment of the department seem appropriate for the carrying out of the provisions of this Act and for the efficient administration thereof.

SECTION 8. Certain other laws not affected. Nothing contained in this Act shall be construed to conflict with the laws relating to child labor, nor to prohibit the establishment and maintenance of bona fide occupational qualifications, nor to prevent the termination or change of the employment of any person who is unable to perform his duties, nor to interfere with the operation of the terms or conditions of any bona fide retirement, pension, employee benefit, or insurance plan, nor to bar any religious or denominational institution or organization, or any organization operated for charitable or educational purposes, which is operated, supervised or controlled by or in connection with a religious organization, from giving preference to persons of the same religion or denomination or from making such selection as is calculated by such organization to promote the religious principles for which it is established or maintained.

SECTION 9. Penalties. Whoever shall wilfully resist, prevent, impede or interfere with the department or any of its agents or representatives in the performance of duties pursuant to this part, or who shall in any manner wilfully violate an order of the department, shall be fined not more than \$200 for the first offense and for the second and any subsequent offense, shall be fined not more than \$500, or imprisoned for not more than 90 days, or both.

SECTION 10. Severability. If any section, sentence, clause or phrase of this Act, or its application to any person or other circumstance, is for any reason held to be unconstitutional or invalid, the remaining portions of this Act, or the application of this Act to other persons or circumstances, shall not be affected. The legislature hereby declares that it would have passed this Act in the interests of protecting the public welfare and individual civil rights, and each and every section, sentence, clause or phrase thereof, irrespective of the fact that any one or more other sections, clauses or phrases be declared unconstitutional or invalid.

SECTION 11. Effective date. This Act shall become effective on January 1, 1964.

(Approved June 3, 1963.) **H.B. 21.**

ACT 181

A Bill for an Act Relating to the Compensation of Public Employees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 5-76 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto a new paragraph reading as follows:

"Any employee of the State or any county, or independent board or commission thereof, who is on stand-by duty after his normal hours of work, or on weekends or holidays, shall, for each day on which he renders such service, be paid, in addition to his basic compensation, an amount equal to five per cent of his daily rate of compensation. An employee shall be deemed to be on stand-by duty when he is assigned by the head of the department or other superior to remain at home or at any other designated place for a specified period for the purpose of responding to calls for immediate service. The fact that an employee may be called to duty in cases of emergency shall not, unless such employee is on stand-by duty, entitle such employee to the additional five per cent compensation; but, if called to duty, he shall be entitled to overtime compensation."

SECTION 2. This Act shall take effect on July 1, 1963.

(Approved June 3, 1963.) **H.B. 148.**

ACT 182

An Act Relating to Child Labor and Amending Section 88-22, Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 88-22, Revised Laws of Hawaii 1955, as amended, is hereby further amended by deleting from subparagraph (f) of said section the figures "1963" appearing at the end thereof and substituting therefor the figures "1965".

SECTION 2. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **S.B. 840.**

ACT 183

An Act to Amend Section 3-21 of the Revised Laws of Hawaii 1955, as Amended, Relating to Public Officers and Employees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 3-21 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new subsection, appropriately numbered, reading as follows:

"(). Reemployment of retirees for service connected occupational disability. Any former employee who has been retired for service connected occupational disability but who is not totally and permanently

incapacitated from performing service shall be reemployed in those classes for which he requests reemployment and for which he meets minimum qualification requirements. The appointment shall not be subject to competitive examination. The order of certification when more than one person is eligible for such certification for a particular class shall be fixed by rule."

SECTION 2. This Act shall take effect on July 1, 1963.

(Approved June 3, 1963.) **S.B. 568.**

ACT 184

A Bill for an Act Relating to the Auditor and Making an Appropriation Therefor.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 2-31 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 2-31. Auditor; appointment, tenure, removal, salary, qualifications. The auditor shall be appointed, hold office for such term and be subject to removal in the manner prescribed in section 8, article VI, of the Constitution. The salary of the auditor shall be fixed by the legislature and shall not be diminished during the auditor's term of office."

SECTION 2. Section 2-37 of the Revised Laws of Hawaii 1955 is hereby amended to read as follows:

"Sec. 2-37. Assistants and staff. In the performance of his duties, the auditor may employ the services of one or more certified public accountants or accounting firms, and such other assistants and clerical workers as may be necessary, provided the cost thereof shall not exceed such sums as may be available out of the appropriation provided by law for the conduct of his office and provided further, that such accountants, firms, and assistants are entirely independent of the departments, offices and agencies of the State and its political subdivisions whose affairs are subject to audit by the auditor. All employees shall be hired by the auditor subject to the approval of the president of the senate and the speaker of the house of representatives and shall serve at his pleasure; provided, that in the establishment of the salary of each such employee the auditor shall consult with the department of personnel services and shall follow as closely as possible the recommendations of such department; and provided further, that the salary of the first assistant or first deputy shall not exceed a sum equal to ninety-five per cent of the salary of the auditor. The auditor and his full time staff shall be entitled to participate in any employee benefit program privileges."

SECTION 3. Part III of chapter 2 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by adding thereto a new section to read as follows:

"Sec. 2-39. Salary of the auditor and appropriations. The salary of the auditor shall be \$19,000 per annum. The funds for the support of the auditor's office shall henceforth be provided for in the Act providing for the expenses of the legislature."

SECTION 4. There is hereby appropriated from the general revenues of the State, not otherwise appropriated, the sum of \$1.00 or so much thereof as may be necessary, to pay for the expenses of the office of the auditor for the fiscal year ending June 30, 1964.

The money so appropriated shall be expended by warrants issued by the comptroller upon vouchers approved by the speaker of the house of representatives and the president of the senate, or by such person as may be authorized by the speaker and the president, or upon the auditor's own voucher, if so authorized by the speaker and the president.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 19.**

ACT 185

A Bill for an Act Relating to Contracts for Public Works and Amending Chapter 9, Revised Laws of Hawaii 1955, as Amended, and Providing for Termination Thereof.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to require bidders on public works contracts to include in their bids the names of all other persons or firms to be engaged on the project as joint contractors or subcontractors and to indicate the nature of the work such joint contractor or subcontractor will perform; and to provide for the termination of the contract by the contracting agency in cases where the contractor makes substantive changes from his original itemized bid.

SECTION 2. Chapter 9, Revised Laws of Hawaii 1955, as amended, is hereby amended by adding two new sections to be designated and to read as follows:

"Sec. 9-27.5. Bids to include certain information. In addition to meeting other requirements of bidders for public works construction contracts each such bid shall include the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor in the performance of the public works construction contract. The bid shall also indicate the nature and scope of the work to be performed by such joint contractor or subcontractors. All bids which do not comply with this requirement shall be rejected.

Sec. 9-30.5. Termination of contract by contracting agency. The contracting officer for any contract executed in accordance with the provisions of this chapter may terminate such contract at any time when, in the opinion of the contracting officer, the contractor has made unjustifiable and substantive changes from the condition set forth in his original itemized bid, provided, however, that such changes which are directly due to the failure, refusal, or inability of a subcontractor named in the contractor's original itemized bid in accordance with the provisions of sec. 9-27.5 to enter into the subcontract or because of such subcontractor's insolvency, inability to furnish a reasonable performance bond, suspension or revocation of his license or failure or inability to comply with other requirements of the law applicable to contractors,

subcontractors and public works projects shall not be deemed to be unjustifiable and substantive changes warranting termination of the contract by the contracting officer. In the case of termination the contracting officer shall limit payment to the contractor to that part of the contract satisfactorily completed at the time of termination."

SECTION 3. Section 9-44, Revised Laws of Hawaii 1955, as amended, is hereby amended by inserting immediately after the word and numbers "sections 9-21, 9-22," the numbers "9-27.5, 9-30.5,".

SECTION 4. This Act shall take effect upon its approval.

(Approved June 3, 1963.) **H.B. 379.**

ACT 186

An Act Relating to the Hawaii State Ferry System and Making an Appropriation Therefor.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. **Ferry system and facilities authorized.** It being hereby declared that the establishment of a ferry system to provide the people of this State with an economic means of transportation is a public purpose, the department of transportation, hereinafter referred to as the department, is authorized to acquire by lease, charter, contract, purchase, condemnation or construction, and partly by any or all of such means, and to thereafter operate, improve and extend, as a public undertaking and enterprise, a system of ferries between the islands of the State and connecting with the public streets and highways in the State, such system of ferries to include such boats, vessels, wharves, docks, approaches, landings, franchises, licenses, and appurtenances, as shall be determined by the department to be necessary or desirable for the efficient operation of a ferry system to best serve the public. In general the department shall have all the powers necessary or convenient to carry out effectively the purpose and provisions of this Act. The department may acquire by purchase, condemnation or construction and include in such ferry system such approaches and connecting roadways as may be deemed by the department advantageous in channeling traffic to points served by the ferry system. The department is empowered to enter into any contracts, agreements or leases with any person, firm or corporation whether public or private and to thereby provide, on such terms and conditions as it shall determine, for the operation of any ferry or ferries or system thereof, whether acquired by the department or not. The department is further authorized to exercise the power of eminent domain for the acquisition of either real or personal property, necessary for such ferry system.

SECTION 2. **"Hawaii State Ferries" name authorized.** The department is hereby authorized to operate its ferry system under the name "Hawaii State Ferries".

SECTION 3. **Survey.** The department may make any examination, investigation, survey or reconnaissance it deems necessary for obtaining

information relative to the acquisition, construction, or operation of the ferry or ferry facilities.

SECTION 4. Appropriation. There is hereby appropriated from the general revenues of the State the sum of \$150,000 or so much thereof as may be necessary, to defray the cost of any such examination, investigation, survey or reconnaissance and all preliminary expenses leading up to and resulting in the issuance of any bonds including, but not being limited to, expenses in making surveys and appraisals.

SECTION 5. Bonds. For the purpose of paying the cost of acquiring by lease, charter, contract, purchase, condemnation or construction of all or any part of such ferry system, approaches and roadways incidental thereto and for rehabilitating, rebuilding, enlarging or improving all or any part of the facilities or system, the department is authorized by certificate to issue revenue bonds in the amount of \$12,000,000, pursuant to chapter 137, part III, Revised Laws of Hawaii 1955, as amended, which such bonds shall constitute obligations only of the undertaking and shall be payable solely and only from all or such part of the gross revenues from the operation of the system as may be provided in and by such certificate.

Each revenue bond shall contain a recital that payment or redemption of the bond and payment of the interest thereon is secured by the direct charge and lien upon the tolls, charges, rents, and gross revenues pledged for that purpose and that such bond does not constitute an indebtedness of the State. It shall further recite that the revenues of the system shall maintain and operate the system except that the State may supplement such revenues for the operation and maintenance of the system for a period not to exceed five years from the date each revenue bond is issued.

SECTION 6. Operation of ferry system. The department is empowered to operate such ferry system, including all operations, whether intrastate or international, upon any route or routes, as a revenue producing undertaking. The department shall have full charge of the construction, rehabilitation, rebuilding, enlarging, improving and maintenance of the ferry system, including approaches and roadways incidental thereto that may be authorized by the department, the granting of concessions, the collection of tolls and other charges for the services and facilities of the undertaking; provided that the department shall comply with the provisions of chapter 7-B of the Revised Laws of Hawaii 1955, as amended, relating to contracts for concessions on public property.

SECTION 7. Fixing of charges, rates and disbursements of revenues. The department shall establish and maintain a schedule of charges and rates for the services and facilities of the ferry system. All such rates shall be reasonable and consistent with the purpose of providing economical interisland transportation, notwithstanding the provisions of section 137-58, Revised Laws of Hawaii 1955, as amended, or any other law to the contrary.

SECTION 8. Seamen may sue for injuries; venue. The State consents to suits against the department by seamen for injuries occurring upon vessels under the authority of the Hawaii state ferries system in

accordance with the provisions of section 688, title 46, of the United States Code. The venue of such actions may be in the first circuit court or the circuit wherein the injury occurred.

SECTION 9. Authority as a common carrier; rights and liabilities. The department shall have all the obligations, duties and rights of a common carrier of persons and property in its operation of ferries, terminals or other facilities used in its ferry operations, including the right to participate in joint rates and through routes, agreements, and divisions of through and joint rates with railroads and other common carriers and the right to make any filings with the interstate commerce commission, the United States maritime commission or any other state or federal regulatory or governmental body and to comply with the lawful rules and regulations or requirements of any such body, and shall be subject to laws relating to carrier's liability for loss or damage to property transported, and for personal injury or death of persons transported.

SECTION 10. Liability for damages as to persons or property. In case of property loss or damage, personal injuries or death resulting from the operation of any ferry or terminal by the department, any person or the personal representative of any person shall, subject to and to the extent hereinafter provided, have a right of action against the department for such damage, loss, injury or death.

SECTION 11. Liability to persons other than shippers or passengers; limitation. The right of action extended by this Act shall be applicable to loss or damage of property or personal injury or death, resulting from the operation of ferries or terminals by the department to persons other than shippers or passengers, but any recovery of damages in such cases shall not exceed an amount equal to the limitations of the insurance carried by the department to insure it against loss for such liability.

SECTION 12. Claim for damages; filing and contents; time limitations. As a condition to a recovery thereon, a verified claim against the department growing out of such damages, loss, injuries or death must first be presented to the department and filed with its director within thirty (30) days after the time when such claim accrued. If the claimant shall be incapacitated from verifying and filing his claim within said thirty days, then the claim may be verified and presented on behalf of said claimant by his relative, attorney or agent. If the claimant be a minor or incompetent person, the claim may be verified and filed by his guardian or next friend. Each such claim must accurately locate and describe the event or defect that caused the damage, loss, injury, or death, reasonably describe the damage, loss or injury, and state the time when the same occurred, give the claimant's residence for six months last past and contain the items of damages claimed. No action shall be maintained against the department upon such claim until the same has been presented to, and filed with, the department and sixty (60) days have elapsed after such presentation and filing, nor more than two (2) years after such claim accrued.

SECTION 13. Payment of claims. The department may upon such terms and conditions as it may impose and under such rules and regu-

lations as it may adopt, pay claims arising under its operation of ferries or terminals or compromise or settle such claims. No claim shall be paid by the department or any settlement or compromise thereof be made except from its operating revenues derived from its operation of ferries or terminals or from the proceeds of insurance recoveries.

SECTION 14. Venue of actions; enforcement of judgment. Actions for the recovery of damages under sections 10 to 14 of this Act may be brought in the first circuit court or in the circuit in which the aggrieved person resides. No execution upon a judgment or attachment shall be levied against the property of the department, nor does the State consent to any maritime lien against vessels of the department, but the department may be required by order of court to pay any judgment.

SECTION 15. The director of transportation shall prepare a report in writing of the nature and extent of his activities under the provisions of this Act. The report shall be delivered to each house of the legislature at least thirty (30) days before each session convenes.

SECTION 16. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 17. Effective date. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 16.**

ACT 187

An Act to Provide for Financial Assistance to Help Defray the Actual Moving Costs of Eligible Persons Displaced by Federal-Aid Highway Construction.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 111 of the Revised Laws of Hawaii 1955, is hereby amended by adding after section 111-20 the following new section:

"Section 111-20.1. Assistance for displaced families and businesses.

(a) As used in this section the term 'eligible person' means any individual, family, business concern (including the operation of a farm) and nonprofit organization to be displaced by construction of a project.

(b) The director of transportation, in estimating the costs of any project under section 106, Title 23 United States Code, for right-of-way acquisition or actual construction, shall include as a part of the cost of construction on any of the federal-aid highway systems, relocation payments to be made initially by the director, from state highway funds, to eligible persons for their reasonable and necessary moving expenses caused by their displacement from real property acquired for such project.

(c) Payments under this section shall not exceed \$100 in the case of an individual or family, or \$300 in the case of a business concern (including the operation of a farm) or nonprofit organization. In the case of a business (including the operation of a farm) and in the case of a nonprofit organization, the allowable expenses for transportation under this subsection shall not exceed the cost of moving 50 miles from the point from which such business or organization is being displaced.

(d) In order that the State may avail itself of federal participation in making payments under this section, the director of transportation will comply with such rules and regulations regarding payments as may be prescribed by the secretary of commerce of the United States."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 64.**

ACT 188

An Act Relating to the Surplus Food Commodities Distribution Program.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 12, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding the following thereto: **"SURPLUS FOOD COMMODITIES DISTRIBUTION PROGRAM.**

Section 12-14. Definition. As used in this Act, unless the context requires otherwise, 'eligible person' means:

(a) A person receiving any type of public assistance grant.

(b) A person who is not receiving any type of public assistance but whose income and resources do not exceed the standards specified for recipients of aid to dependent children.

Section 12-15. State agencies.

(a) The department of social services shall participate in any federal program for the distribution of surplus food commodities to all eligible and certified persons as provided in this Act, subject to the rules and regulations of the United States secretary of agriculture governing distribution of such food commodities. The participation of the department of social services shall be limited to certification of eligible persons and the establishment and operation of distribution centers.

(b) The department of accounting and general services shall be responsible for ordering surplus foods and determining that the distribution of surplus commodity foods is made in accordance with rules and regulations of the U.S. department of agriculture.

Section 12-16. Certification of eligible persons. Eligible persons shall be certified under regulations of the department of social services to receive surplus food commodities under this Act if they are living in the State of Hawaii, and if they have facilities for the preparation of uncooked food. The period of certification for eligible persons under this Act is:

(a) During the time such persons receive grants of public assistance; or

(b) For persons not receiving public assistance grants, 90 days, subject to renewal."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 70.**

ACT 189

An Act Relating to Public Lands of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section -22, section 2 of Act 32, Session Laws of Hawaii 1962, is hereby amended to read as follows:

"Section -22. **Consent to mortgage.** Whenever under any of the provisions of this chapter consent of the State is required as a condition precedent to the mortgage of, or the creation of a security interest in public land, the board may, upon due application, grant such consent, and if the mortgage or security interest is to a recognized lending institution authorized to do business as a lending institution in either the State of Hawaii or elsewhere in the United States, the consent may extend to foreclosure and sale at such foreclosure to any purchaser, including the mortgagee, without regard to whether or not the purchaser is qualified under the provisions of this chapter to lease, own or otherwise acquire and hold the land or any interest therein. The interest of the mortgagee or holder shall be freely assignable. The term 'holder' includes an insurer or guarantor of the obligation or condition of such mortgage, including the Federal Housing Administration, the Federal National Mortgage Association, the Veterans Administration, the Small Business Administration, Farmers Home Administration or any other federal agency and their respective successors and assigns or any lending institution authorized to do business in the State of Hawaii or elsewhere in the United States; provided, that the consent to mortgage to a nongovernmental holder shall not confer any greater rights or powers in the holder than those which would be required by any of the aforementioned federal agencies.

Notwithstanding any provision in this chapter to the contrary, in leases or sales for residential purposes, the board may waive or modify any restrictions of such lease or sale or any restrictions contained in any such lease or sale if such waiver or modification is necessary to enable any of the aforementioned federal agencies or any lending institution authorized to do business in the State of Hawaii or elsewhere in the United States to participate in any loan secured by a mortgage on the land or the leasehold interest; provided, any such waiver or modification shall not confer any greater rights or powers in the holder than those which would be required by the Federal Housing Administration or the Farmers Home Administration."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 438.**

ACT 190

An Act Relating to the Ownership and Disposition of Public Highways.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 142-1, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Section 142-1. Public highways, defined, etc. All roads, alleys, streets, ways, lanes, trails and bridges in the State, opened, laid out or built by the State or any political subdivision thereof, are declared to be public highways. Public highways are of two types: (a) state or federal-aid highways, which are all those under the jurisdiction of the state department of transportation; and (b) county highways, which are all other public highways. All roads, alleys, streets, ways, lanes, trails and bridges in the State, opened, laid out or built by private parties and dedicated or surrendered to the public use, are declared to be public highways. Dedication of public highways shall be by deed of conveyance naming the State as grantee in the case of a state highway and naming the county as grantee in the case of a county highway. Such deed of conveyance shall be delivered to and accepted by the director of transportation in the case of a state highway and shall be delivered to and accepted by the legislative body of a county in the case of a county highway. Surrender of public highways shall be deemed to have taken place if no act of ownership by the owner of any such road, alley, street, way, lane, trail or bridge has been exercised for five years and when, in the case of a county highway, in addition thereto, the legislative body of the county has, thereafter, by a resolution, adopted the same as a county highway. In every case where such road, alley, street, way, lane, trail, bridge or highway has been constructed and completed as required by any ordinance of the county or any rule, regulation or resolution thereof having the effect of law, the legislative body of the county shall accept the dedication or surrender of the same without exercise of discretion. All county highways once established shall continue until vacated, closed, abandoned or discontinued by a resolution of the legislative body of the county wherein such county highway lies."

SECTION 2. Section 142-2, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Section 142-2. Owned by government. The ownership of all public highways and the land, real estate and property of the same shall be in the government in fee simple. The term 'government' as used herein shall mean the State with reference to state highways and shall mean the respective counties with reference to county highways; provided, however, that if any county highway is required by the State for state highway purposes, the ownership of such county highway shall be transferred to and vested in the State without compensation."

SECTION 3. Chapter 142 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by adding a new section to be numbered section 142-2.5 and to read as follows:

"Section 142-2.5. Disposal of abandoned public highway. Whenever a public highway, or any portion thereof, shall at any time be vacated,

closed, abandoned or discontinued, the same shall be used or disposed of for the use of the State in the case of a state highway as provided by law and for the use of the county in which the highway lies in the case of a county highway; provided, that in the case of a county highway, before the same shall be disposed of in any way, it shall be first offered to the abutters for a reasonable length of time and at a reasonable price, and if they do not take the same, then it may be sold at public auction."

SECTION 4. The ownership of all county highways heretofore acquired by the counties by eminent domain, purchase, dedication or surrender is hereby transferred to and vested in the respective counties in which such county highways lie.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 585.**

ACT 191

An Act Amending Chapter 145A, Revised Laws of Hawaii 1955, as Amended, Relating to County Boards of Water Supply.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. There is hereby added to chapter 145A of the Revised Laws of Hawaii 1955, as amended, the following new sections:

"Sec. 145A-23. Rules and regulations. The board may make, and from time to time alter, amend and repeal rules and regulations relating to the management, control, operation, preservation and protection of the waterworks of the county. Such rules and regulations shall have the force and effect of law.

Sec. 145A-24. Penalties. Any person who violates any rule or regulation made and promulgated by the board pursuant to section 145A-23 shall be fined not more than \$500, except that in cases where such offense shall be of a continuing nature each day's continuance of the same, after written notice from the board to remedy the same, shall constitute a separate offense."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 645.**

ACT 192

An Act to Amend Section 5-30, Revised Laws of Hawaii 1955, as Amended, Relating to Vacations of Public Officers and Employees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 5-30, Revised Laws of Hawaii 1955, as amended, is hereby amended to read:

"Section 5-30. Vacations of public officers and employees; excep-

tions. With the exception of school teachers, principals and cafeteria managers employed in the public schools of the State, the instructional staff of the University of Hawaii, members of the fire departments of the political subdivisions of the State, and persons employed pursuant to paragraphs (b), (c) and (n) of section 3-20, paragraphs (g), (h) and (i) of section 5-603 of the charter of the city and county of Honolulu, and paragraphs (g), (h) and (l) of section 3-61, all officers and employees of the State or of the political subdivisions of the State and all full-time elected and appointive officers and employees of the State and the political subdivisions of the State shall be entitled to and granted a vacation with pay each calendar year calculated at the rate of one and three-quarters working days for each month of service. A month of service shall be deemed to mean a calendar month in which the employee performs not less than nineteen days of actual service. A provisional employee, as such, shall not be entitled to a vacation with pay, but he shall be entitled to earn and accrue vacation allowances during the term of his provisional appointment, and if upon the termination of his provisional appointment he receives a probationary or limited term or permanent appointment in the same position, he shall be credited with the allowances earned and accrued during the provisional appointment, but if he does not become such probationary or regular employee, the vacation allowances shall be automatically forfeited. Vacation allowances shall be recorded and administered on a calendar year basis, the allowance accruing during each calendar year being credited to employees as of December 31 of each year.

An annual vacation, or any part thereof unused, shall be automatically accumulated for succeeding years, except that the total recorded accumulation shall be in no event more than ninety working days; provided, that not more than fifteen days a year may be accumulated unless prior approval is secured by the employee from his department head for the accumulation of the full amount, said accumulation to be granted only for good cause shown; and provided, further, that no employee shall be granted or permitted to take a vacation in any calendar year in excess of ninety working days, but whenever the employee's accumulated vacation credit exceeds ninety working days he shall be paid salary in lieu of vacation to the extent of such excess if, upon investigation by the comptroller of the State, the director of finance of the city and county of Honolulu, or the county auditor of the other counties, as the case may be, it is found that the excess vacation credit resulted from the employee's inability to be allowed vacation time off because of orders of his appointing authority; otherwise the employee shall automatically forfeit such excess."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 729.**

ACT 193

An Act Relating to Statutory Revision; Amending or Repealing Provisions of the Revised Laws of Hawaii 1955 and Session Laws of Hawaii for the Purpose of Correcting Errors, Clarifying Language, Correcting References and Deleting Obsolete Provisions.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. In this Act, unless otherwise stated, all chapter or section references are to the Revised Laws of Hawaii 1955 and amendments thereto, including chapter or section designations assigned by the revisor of statutes in the compilation of the 1961 Supplement to the Revised Laws of Hawaii 1955. Also, in this Act, "Session Laws" means the Session Laws of Hawaii.

SECTION 2. Section 1-5.5 is amended by substituting "sections 1-54 and 1-55" for the reference "sections 1-4 and 1-5".

SECTION 3. Section 4A-1 is repealed.

SECTION 4. Section 14A-19 is amended by deleting the words "with the director of social services as ex officio chairman and included as an additional commissioner of the housing authority" in the first sentence of the fifth paragraph and substituting therefor the words "with the director of social services as an additional commissioner, ex officio, of the housing authority".

SECTION 5. Section 14A-20 is amended by deleting the third paragraph.

SECTION 6. Section 18-15.5 is amended to read:

"§ 18-15.5. Weights of coffee; rules. The board may make rules respecting the weighing of coffee prior to its shipment to points outside the State, and providing for the certification of weights thereof. Further, a reasonable schedule of fees to defray the expense of administering this section shall be established by the board, which fees shall be collected and deposited with the state director of the budget to the credit of the general fund; provided that the board shall consult the appropriate industries, organizations and agencies prior to the promulgation of the rules."

SECTION 7. Section 21-61 is repealed.

SECTION 8. Section 22-2 is amended by changing the last sentence of paragraph (a) to read: "Any money recovered by the director under this provision shall be deposited with the state director of the budget to the credit of the general fund;".

SECTION 9. Section 22-26.2 as amended by the Session Laws of 1961, Act 139, section 1, is amended by adding the word "or" between the words "commercial" and "promotional" in the definition of "commercial exporter".

SECTION 10. Section 22-26.5 is amended by changing the last two sentences to read: "All fees collected shall be deposited with the state director of the budget to the credit of the general fund."

SECTION 11. Section 22-26.8 is amended by changing the last

sentence of paragraph (a) to read: "Any money recovered by the director under this provision shall be deposited with the state director of the budget to the credit of the general fund."

SECTION 12. Section 22-53 is amended to read:

"§ 22-53. Deposit of moneys. All fees, charges, expenses, civil penalties and other moneys collected under this part or any rules prescribed by the board pursuant to this part shall be deposited with the state director of the budget to the credit of the general fund."

SECTION 13. Section 23-14 is amended to read:

"§ 23-14. Disposition of fees and charges. All fees, charges, expenses and other moneys collected pursuant to the provisions of this part shall be deposited with the state director of the budget to the credit of the general fund."

SECTION 14. Section 24-6 is amended by changing the last sentence of paragraph (a) to read: "All fees collected shall be deposited with the state director of the budget to the credit of the general fund."

SECTION 15. Section 25-8 is amended by changing paragraph (c) to read:

"(c) Moneys received from registration fees shall be deposited with the state director of the budget to the credit of the general fund."

SECTION 16. Section 26-14 is amended to read:

"§ 26-14. Disposition of fees and charges. All fees and charges received under the provisions of sections 26-5 to 26-15 shall be deposited with the state director of the budget to the credit of the general fund."

SECTION 17. Section 27-11 is amended to read:

"§ 27-11. Disposition of license and inspection fees. All fees and charges received under the provisions of this chapter shall be deposited with the state director of the budget to the credit of the general fund."

SECTION 18. Section 36-14 is amended by deleting the phrase "pursuant to section 35-14".

SECTION 19. Sections 37-17 and 37-18 as amended by the Session Laws of 1961, Act 182, section 3(f) and (g) are amended by changing the phrase "director of finance" to "director of the budget".

SECTION 20. Section 38-31 as amended by the Session Laws of 1962, Act 28, section 4, is amended by changing the amount of the longevity step L-3 of salary range 6 of the teachers' salary schedule from "672" to "732".

SECTION 21. Section 38-33 is amended by deleting the words "of section 38-31" after the words "Class I or II".

SECTION 22. Section 38-34.5 as amended by the Session Laws of 1962, Act 28, section 11, is amended by changing the word "teachers" to "pupils" throughout the section.

SECTION 23. Section 52-10 as amended by the Regular Session Laws of 1959, Act 71, section 1, is amended by deleting the second sentence from the definition of "podiatrist".

SECTION 24. Section 52-20 is hereby amended by changing the phrase "physician or dentist" appearing after the semicolon to "physician, dentist or podiatrist".

SECTION 25. Section 80-17 is amended by deleting from the begin-

ning of the third sentence the phrase "Subject to the provisions of section 35-14 and any other applicable provisions of law,".

SECTION 26. Section 82-17 as amended by Act 176, Session Laws of 1961, is amended by changing the phrase "department of civil services" to "department of personnel services".

SECTION 27. Section 86-19 is amended by deleting from the second sentence the following words: "or if situated in the city and county of Honolulu by the board of water supply or the suburban water system of the city and county as appropriate,".

SECTION 28. Chapter 93A is amended by changing the words "this chapter" to "this part" throughout part I (sections 93A-1 to 93A-42).

SECTION 29. Section 96A-2 is amended by changing the words "this rule" to "this chapter".

SECTION 30. Section 96A-11 is amended by changing the words "this rule" to "this chapter".

SECTION 31. Section 96A-13 is amended by changing the words "this rule" to "this chapter".

SECTION 32. Section 104-21.5 as added by Act 66 of the Session Laws of 1961 is amended by changing the phrase "a point to Hawaii to a point in Hawaii" to "a point in Hawaii to a point in Hawaii" as it appears in the first clause.

SECTION 33. Section 106C-4 is amended by adding a second closing parenthesis after "(k)" in item (1) defining contract carrier by motor vehicle.

SECTION 34. Section 106C-7 is amended by adding after "(a)" and before "(1)" in the first sentence the words: "The general duties and powers of the commission shall be:".

SECTION 35. Section 106C-33 is amended by adding a second closing parenthesis after "(e)" in paragraph (b).

SECTION 36. Section 109-24 as amended by the Session Laws of 1959, Act 246, section 10, is amended by changing the phrase "wholly or partially blind" to "blind or visually handicapped".

SECTION 37. Section 121-24.4 (Regular Session Laws of 1959, Act 276, part of section 1) is amended by changing the word "including" to "excluding".

SECTION 38. Section 132-17 is amended to read:

"§ 132-17. **Special funds listed.** The special funds referred to in section 132-16 are the following:

Description	Created by section
Airport Revenue Fund.....	15-10
Highways Supplies and Equipment Account.....	111- 7
Farm Loan Reserve Fund.....	102-14
Blind Shop Revolving and Handicraft Fund.....	109-13
Harbor Board Special Fund.....	112-20
State Airport Fund.....	129-11
State Highway Fund.....	129-11".

SECTION 39. Section 143-21 is amended by deleting the proviso at the end of subparagraph (b).

SECTION 40. Section 146-161 is amended by changing the reference "sections 129-2 to 129-5" to section "129-8".

SECTION 41. Section 147-36.5 is repealed.

SECTION 42. Section 147-140 is amended by changing the reference "section 129-2" to "section 129-8".

SECTION 43. Act 20 of the Regular Session Laws of 1960 (section 2 of which is compiled as part VII of chapter 147) is repealed.

SECTION 44. Section 148-150 is amended by changing the reference "section 129-2" to "section 129-8".

SECTION 45. Section 149-8 is amended by changing the reference "section 149-7" to "section 138-47".

SECTION 46. Section 153-32 is amended by changing the reference "section 129-2" to "section 129-8".

SECTION 47. Section 160-184 is amended by deleting the reference to sections "160-167.5" and "160-170.5" therein.

SECTION 48. Section 170A-2 is amended by changing the words "real estate license commission" to "real estate commission" in item (b) defining "commission".

SECTION 49. Section 170A-31 is amended to read:

§ 170A-31. Deposit of fees. All fees collected under this part shall be deposited by the treasurer of the department of treasury and regulation with the director of the budget to the credit of the general fund."

SECTION 50. Section 171A-2 is amended by adding the word "never" to the last clause of item (f) so that it reads "or has never been disbarred from the practice of law;".

SECTION 51. Subdivision (b) of section 171A-7 is amended by substituting "commissioner" for "commission" in the first paragraph and by substituting "board" for "commission" in the last paragraph.

SECTION 52. Section 171A-13 is amended by changing the word "commission" to "commissioner".

SECTION 53. Section 171A-30 is amended by adding the word "not" so that the section reads:

§ 171A-30. Remedies not exclusive. The remedies provided for in this chapter are in addition to and not exclusive of any other remedies provided by law."

SECTION 54. Section 172-150 is amended by deleting the reference to section "174-2".

SECTION 55. Section 172-151 is amended by deleting the reference to section "174-2".

SECTION 56. Section 178-11.1 is amended by changing the reference "section 188-11" to "section 178-11".

SECTION 57. Section 178-11.3 is amended by changing the reference "sections 178-11 and 178-12" to "sections 178-111 and 178-112".

SECTION 58. Section 181-580 is amended by changing the reference "sections 181-576 and 181-577" to "sections 181-578 and 181-579".

SECTION 59. Section 194-18 is amended by changing the reference "section 201-1" to "section 201A-1" and the reference "section 201-23" to "sections 201A-3 and 201A-28".

SECTION 60. Section 205A-16 is amended by changing item (a) of paragraph (3) to read:

“(a) state the alleged violation of the section or sections of this chapter which are under investigation;”.

SECTION 61. Section 214-10 is amended by changing the phrase at the end of the section “thereunto authorized by the written consent of the remaining justice or justices” to “as authorized by the chief justice”.

SECTION 62. Section 214-11 is amended by changing the phrase at the end of the section “thereunto authorized by the written request of the justices or two of them” to “as authorized by the chief justice”.

SECTION 63. Chapter 289 is amended by deleting the subtitle “Life Insurance” appearing immediately before section 280-12.

SECTION 64. Section 18 of Act 265 of the Regular Session of 1959 is amended to read:

“Section 18. Disposition of income relating to armories. Section 353-25, Revised Laws of Hawaii 1955, is amended by substituting for the fourth and fifth sentences the following: ‘All moneys received from the rentals shall be deposited with the director of the budget to the credit of the general fund.’”

SECTION 65. Act 32 of the Session Laws of 1962 is amended by changing the reference “section 21” to “section 19” in section -21 of section 2.

SECTION 66. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 739.**

ACT 194

An Act Relating to the Amendment of Section 35-30 of the Revised Laws of Hawaii 1955.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 35-30 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto the following sentence:

“Provided, however, that any state department, with the prior consent of the governor and of the director of the budget, and subject to terms and conditions insuring protection of the State as shall be imposed by the department, may cosponsor with another state department or with the county or any agency thereof, for the purpose of applying for federal funds or assistance for any project, after certification by the state comptroller that proper and sufficient allotment has been made by the governor to such other department or after receipt of resolution adopted by the board of supervisors or city council that proper and sufficient sums for such project have been appropriated and encumbered.”

SECTION 2. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 1172.**

ACT 195

An Act Relating to Taxation, Amending Chapter 121, Revised Laws of Hawaii 1955, as Amended, Limiting the Application of Sections 336 and 337 of the Internal Revenue Code of 1954, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 121, section 5, Revised Laws of Hawaii 1955 as amended, is further amended by adding thereto a new section, 121-5.01 to follow section 121-5 and to read as follows:

"Sec. 121-5.01. Same. Gain or loss on sales or exchanges in connection with certain liquidations.

(a) Sections 336 and 337(a) of the Internal Revenue Code of 1954 as amended and incorporated into this Act by sec. 121-1 of the income tax law of 1957 (ch. 121, Revised Laws of Hawaii 1955, as amended by Act 1, Special Session Laws of 1957) shall not apply to any corporation unless all the shareholders thereof are residents of the State of Hawaii.

(b) Where secs. 336 and 337(a) of the Internal Revenue Code of 1954 as amended do not apply to a corporation solely by virtue of subsection (a) immediately preceding, then for the first taxable year of any shareholder in which he receives a distribution in complete liquidation—

(1) The amount realized by such shareholder on the distribution shall be increased by his proportionate share of the amount by which the tax imposed on this chapter on such corporation would have been reduced if sec. 337(a) of the Internal Revenue Code of 1954 as amended had been applicable, and

(2) For purposes of this section such shareholder shall be deemed to have paid, on the last day prescribed by law for the payment of the tax imposed by this chapter on such shareholder for such taxable year, an amount of tax equal to the increase described in paragraph (1).

The provisions of subsection (a) to the contrary notwithstanding, those subsections of sec. 337 of the Internal Revenue Code of 1954 as amended, namely (c) and (d) which constitute limitations on the operation of sec. 337 are to be deemed fully effective as if this section had not been enacted."

SECTION 2. This Act shall take effect for all taxable years beginning on or after January 1, 1964.

(Approved June 4, 1963.) **S.B. 55.**

ACT 196

An Act Relating to Public Lands of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The last paragraph of section 41 as listed under section 2 of Act 32, Session Laws of Hawaii 1962, is hereby amended to read as follows:

"The board may, with the prior approval of the governor and of the legislature in the form of a concurrent resolution adopted in the manner required for the final passage of a bill under article III, section 14 of

the State Constitution in any regular or special session, sell public land in fee simple for commercial, industrial or other business uses."

SECTION 2. The first sentence of the second paragraph of section 42 as listed under section 2 of Act 32, Session Laws of Hawaii 1962, is hereby amended to read as follows:

"The board may, with the prior approval of the governor and of the legislature in the form of a concurrent resolution adopted in the manner required for the final passage of a bill under article III, section 14 of the State Constitution in any regular or special session, sell in fee simple or lease with option to purchase, raw, unimproved public land for hotel and resort use, provided, that:"

SECTION 3. Section 42 as listed under section 2 of Act 32, Session Laws of Hawaii 1962, is hereby amended by adding a new subsection to be designated and to read as follows:

"(h) The lessee with an option to purchase shall not be permitted to exercise such option until he has complied with all of the terms and conditions of the lease, including but not limited to the construction or erection of improvements as may be required by the board."

SECTION 4. The last paragraph of section 42 as listed under section 2 of Act 32, Session Laws of Hawaii 1962, is hereby amended to read as follows:

"Upon a finding by the board that the public interest demands it, the board may lease, lease with option to purchase, or sell in fee simple such public lands by negotiation; subject to the provisions contained in this section and to such other terms and conditions contained in this chapter."

SECTION 5. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 453.**

ACT 197

An Act Relating to Public Accountancy and Amending Chapter 164 of the Revised Laws of Hawaii 1955, as Amended.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The first paragraph of section 164-10 of the Revised Laws of Hawaii 1955, is hereby amended by amending the portion thereof preceding subparagraph (a) to read as follows:

"Any person who is a citizen of the United States or has declared his intention of becoming a citizen, a resident to the State, over the age of twenty-one years and of good moral character, and who on June 15, 1955 fulfilled the requirements of subsections (a), (b), or (c) of this section shall be registered as a public accountant upon application to the board on or before December 31, 1963:"

SECTION 2. This Act shall take effect upon its approval.

(Approved June 4, 1963.) **S.B. 1012.**

ACT 198

An Act Relating to a State Commission and County Committees on Aging.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Commission; appointment; tenure. There is hereby created a state commission on aging which shall consist of not less than twenty-one nor more than twenty-seven members. The membership shall include, ex officio, the director of health, the director of social services, the superintendent of public instruction, the president of the university of Hawaii, the director of labor and industrial relations, the secretary of the state employee's retirement system, or their permanently appointed designees, and by invitation, the Hawaii representative of the United States department of health, education and welfare. The remaining members shall be appointed by the governor in accordance with article IV, section 6, of the State Constitution. One-third of such members shall be appointed for the term of four years, one-third for the term of three years and one-third for the term of two years, and thereafter the terms of office of each member shall be four years. Of the appointed members there shall be one member from the county of Hawaii, one member from the county of Maui, and one member from the county of Kauai and at least one-third of the age of sixty years or older. The members shall serve without compensation but shall be paid their necessary expenses in attending meetings of the commission. The members shall be selected on the basis of their interests and knowledge in and their ability to make contributions to the solution of problems relating to aging. The governor shall appoint the chairman of the commission. There shall be no less than four meetings of the commission each year, all meetings to be held in the city and county of Honolulu.

SECTION 2. Duties of commission; reports. The commission shall

(a) Provide a mechanism by which governmental and nongovernmental agencies can coordinate their plans, policies and activities with regard to aging.

(b) Create public awareness and understanding of the needs and potentials of older persons.

(c) Encourage state departments, universities and other appropriate agencies to conduct needed research in the field of aging. When such research cannot be done within such established agencies, it shall be carried out by this commission.

(d) Recommend legislative and administrative action on behalf of the aging; review legislation pertaining to older persons and appropriations made for services in their behalf in such fields as health, social welfare, education, employment and recreation; consider and present revisions and additions needed and report to the governor and to the legislature regarding such legislation.

(e) Appraise the availability, adequacy and accessibility of all services and facilities for older persons within the State.

(f) Study the operations and the operating policies affecting older persons of all state and county departments and agencies responsible for providing services for older persons, including without limitation

to the generality of the foregoing, the agencies with primary responsibility for public health, social welfare, education, housing, employment, recreation and retirement, and report to the governor and to the legislature. The executive heads of all such departments and agencies shall cooperate with the commission in providing information as the commission deems necessary for the effective discharge of its duties under this Act; provided, that no provisions of law with respect to confidentiality of information shall be violated herewith.

(g) Stimulate, guide and provide technical assistance in the organization of local or regional committees on aging, and in the planning and conduct of services, activities and projects.

(h) Stimulate training for workers in services to the aging.

(i) Promote the development of services to assist middle-aged and older persons to develop skills, attitudes and interests to prepare themselves for their later years.

(j) Maintain contacts with local, state and federal officials and agencies concerned with planning for middle-aged and older persons.

(k) Cooperate with national groups on aging and arrange for participation by representatives of the State in White House conferences and other national conferences from time to time.

(l) Administer funds allocated for its work; be authorized to accept, disburse, and allocate funds which may become available from other governmental and private sources, provided, however, that all such funds shall be disbursed or allocated in compliance with any specific designation stated by the donor and in the absence of such specific designation, such funds shall be disbursed or allocated on projects directly benefiting the elderly in accordance with the purposes of this Act.

(m) Submit an annual report with recommendations to the governor and the legislature.

SECTION 3. County committees; appointment. The mayor of the city and county of Honolulu and the chairman of the board of supervisors of each of the other counties shall each appoint within their respective counties a committee of not less than fifteen persons charged with the duty and responsibility of developing such information as the state commission requires or as such committee deems advisable concerning the problems of aging within the respective counties. Such committees shall submit to the state commission plans and proposals for meeting these problems in the several counties. Each county committee shall endeavor to secure the widest possible citizen participation in its efforts and, for this purpose, may utilize or continue the existence of study panels or groups. The membership of each county committee shall include, ex officio, the chief administrative officer at the county level (or his permanently appointed designee) of the state department of health, of the state department of social services, of the employment service office of the state department of labor and industrial relations, and of the state department of education, the administrative head of any county recreation agencies, and the county representative of the state commission. The other members shall be selected upon the basis of their interest in the problems of aging, their effectiveness in promoting the welfare of the middle-aged and older persons within the

county, and their knowledge of local conditions. The chairman shall be elected annually from the nongovernmental members of the committee. One-third of the nongovernmental members of the county committees shall be appointed for four years, one-third for three years and one-third for two years, and thereafter their successors shall be appointed for terms of four years. Each county committee shall meet at least three times a year. The members of the county committee shall receive no compensation for their services. The respective boards of supervisors or council are hereby authorized to make appropriations to meet the necessary expenses of such committees.

SECTION 4. Director; qualification; duties; assistants. The state commission on aging shall select and employ a director who shall be exempt from the provisions of chapters 3 and 4, Revised Laws of Hawaii 1955, as amended. The director shall have professional training and recent experience in the field of social work, education, public health or other related field, or the equivalent in work experience on one of these fields, and recent experience in a supervisory, consultative or administrative position.

The director shall serve as consultant to the governor on problems of aging; shall assist in coordinating the programs of all agencies concerned with problems of aging; shall help plan, organize and coordinate the activities of the county committees; shall arrange for statewide studies of the needs and existing facilities for older persons and develop recommendations and plans for action consistent with the purposes of this Act; shall secure statistical data from the county committees and from state and local agencies; shall arrange for the exchange of information, plans and programs between public and private groups interested in the problems of aging; shall prepare articles, reports and bulletins for the use of the state commission and the county committees and agencies and for general publication; shall keep and maintain records and reports and conduct correspondence relative to the work of the commission. The director shall be paid and reimbursed for reasonable and necessary traveling expenses in carrying on this work. The commission may employ such additional staff for the director as may be necessary to carry out the duties of the commission, subject to chapters 3 and 4, Revised Laws of Hawaii 1955, and provide suitable quarters.

SECTION 5. The state commission on aging is hereby placed within the department of budget and review for administrative purposes and shall sit in an advisory capacity to the director of the budget on matters set forth herein.

SECTION 6. This Act shall take effect upon its approval.

(Approved June 5, 1963.) **S.B. 384.**

ACT 199

An Act to Amend Chapter 160, Part V, Revised Laws of Hawaii 1955, as Amended, Relating to Motor Vehicle Dealers' and Salesmen's Licensing Boards.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 160, part V, Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following respect:

a. By amending the thirteenth paragraph in section 160-160, thereof, as amended, relating to "Salesmen", and by adding a new paragraph immediately following, defining "Premises or licensed premises" so that the amended and new paragraphs will read as follows:

"'Salesman' includes any person who, as his principal occupation, for a commission, compensation, or other valuable consideration, is employed, either directly or indirectly, by a dealer to sell, display and offer for sale, or deal in, or otherwise engage in the business of selling motor vehicles, at retail or wholesale;

'Premises or licensed premises' means the premises in connection with which a license has been, or is proposed to be issued, including branch locations. The terms 'premises' or 'licensed premises' are hereby substituted for the term 'place of business' wherever found in this part."

b. By amending section 160-161 thereof, to read as follows:

"Section 160-161. Unlicensed person not to engage in business. It shall be unlawful for any person not duly licensed under this part to engage in the business of selling or negotiating for the purchase of motor vehicles at wholesale or at retail within this State, except as provided herein."

c. By adding thereto a new section to be numbered and to read as follows:

"Section 160-161.1. Prohibited acts for used car dealer. No used car dealer shall sell or bring or cause to be brought into this State for purposes of sale any new motor vehicle."

d. By adding thereto a new section to be numbered and to read as follows:

"Section 160-161.2. Advertising.

(a) Motor vehicle, availability of. No new or used motor vehicle dealer shall advertise or offer for sale or exchange in any newspaper, or through any other medium, any motor vehicle not actually for sale at the premises of such dealer or available to such dealer from the manufacturer, or authorized new car distributor of such automobile at the time the advertisement or offer is made;

(b) False advertising.

(1) False advertising by a motor vehicle dealer shall be punishable as provided by statute or ordinance.

(2) The term 'wholesale' shall not be used in retail automobile advertising.

(3) No motor vehicle shall be advertised or offered for sale or exchange or offered to be purchased under the representation that is a new motor vehicle, unless such motor vehicle conforms to the definition

of 'new motor vehicle' contained in section 160-160.

(c) Procedure relative to advertising of a specific motor vehicle.

(1) No new or used motor vehicle dealer shall advertise the sale of a specific motor vehicle without setting forth:

(a) The year;

(b) The make of the motor vehicle; and

(c) In the case of a used car, the license plate number of the motor vehicle.

(2) If a motor vehicle has been advertised as set forth above and has been sold, the motor vehicle dealer shall have in his or its office a copy of the retail sale contract or a copy of a bill of sale for the motor vehicle which shows the buyer's signature thereon.

(3) No new or used motor vehicle dealer shall in any advertisement designate the price of a motor vehicle without stating the make, the body type and the manufacturer's classification and/or series of the motor vehicle, except that the classification or series need not be designated for used cars, and whether or not other charges in addition to the quoted price will be assessed; provided that the gross income tax and transfer of title fees may be excluded from such other charges.

(d) Display of motor vehicle at unlicensed premises.

All dealers or salesmen shall obtain prior approval of the board to display motor vehicles for advertising purposes at or on any place other than the licensed premises.

(e) Advertising by salesman prohibited. No salesman shall advertise the sale of a motor vehicle in or through any advertising medium without designating the name of his employer; provided that this provision shall not apply when a salesman advertises to dispose of a motor vehicle registered under his name.

e. By amending section 160-163 thereof to read as follows:

"Section 160-163. Jurisdiction and powers of the board.

The board, within its own county, shall have the sole jurisdiction, power and authority and discretion, subject only to the provisions of this part, to:

(a) Rules and regulations. Make, amend and repeal from time to time such rules and regulations not inconsistent with this part, as the board deems appropriate for the carrying out of the provisions and purposes of this part and for the efficient administration thereof, and the proper conduct of the business which are subject to the provisions of this part, including every matter or thing required to be done or which may be done with the approval or consent or by order or under the direction or supervision of, or as prescribed by the board, which rules and regulations, when promulgated and filed as provided in chapter 6C, Revised Laws of Hawaii 1955, shall have the effect of law.

(b) Licenses. Grant, deny, suspend or revoke licenses which are authorized by the provisions of this part and impose such conditions as may be set forth in the rules and regulations of the board in connection with the granting of licenses.

(c) Appointment of staff. Appoint and remove an executive secretary and such investigators or inspectors and clerical or other assistants as its business may from time to time require and to prescribe their duties and fix their compensation. In addition thereto, the board may

engage the services of experts and persons engaged in the practice of a profession, if deemed expedient.

(d) Duplicate licenses. Prescribe the nature of the proof to be furnished, the notices to be given and the conditions to be met or observed for the issuance of a duplicate license in place of one alleged to have been lost or destroyed, including a requirement for any indemnity deemed appropriate to the case.

(e) Forms. Prescribe all forms to be used for the purposes of this part not otherwise provided for herein.

(f) Investigations, witnesses, and subpoenas.

(1) Investigate violations through its investigators or inspectors or otherwise, and to report such violations to the prosecuting officer for prosecution; to hear and determine verified complaints against any licensee; to subpoena and examine witnesses under oath and require the production of, and examine any of the books, papers and records of any licensee which may pertain to his business under his license or which shall or may pertain to any matter being considered, or any hearing or investigation being conducted, by or before the board. Each board may investigate any matter of which the board may take cognizance, and take testimony in the same manner as any court and neither the board nor any member shall be bound by the strict legal rules of evidence.

(2) The fees and mileage of witnesses shall be the same as that allowed in the circuit courts and shall be paid in the same manner as other expenses of the board.

(3) Depositions of witnesses residing within or without the State may be taken by the board in the manner prescribed by law for like depositions in civil actions. In any case of disobedience to, or neglect of any such subpoena served on any person, or the refusal of any witness to testify to any matter regarding which he may lawfully be interrogated by the board, any circuit judge of any judicial circuit wherein such disobedience, neglect, or refusal occurs, on application of the executive secretary or any person so authorized by the board may compel obedience by proceedings for contempt as in the case of disobedience of the requirements of a subpoena issued from such court or a refusal to testify therein.

(4) In addition to, but not in derogation of, the provisions of this section, the provisions of section 7-27 shall be applicable to the board and to proceedings by or before or under the jurisdiction of the board.

(g) Minimum qualifications. Establish, by rules and regulations, minimum qualifications for salesmen or dealers which must be met by applicants prior to the issuance of any license.

(h) Oaths. The board shall have the same powers respecting the administering of oaths, compelling the attendance of witnesses, the production of documentary evidence and examination of witnesses as are possessed by a circuit judge at chambers.

(i) Decisions of board. The exercise by the board of power, authority and discretion in it so vested shall be final in each case and shall not be reviewable by or appealable to any court or tribunal, except as otherwise provided in Act 103, Session Laws of Hawaii 1961, or in this part."

f. By amending section 160-164 thereof to read as follows:

"Section 160-164. Application for license.

(a) Application. Any person desiring a dealer's or salesman's license shall file an application therefor with the board.

(b) Financial statements. When an application is made for a dealer's license by an individual or partnership, a personal financial statement and a financial statement of the proposed business, both of which shall have been certified by a public or certified public accountant, shall accompany a new application for a dealer's license. If the applicant is a corporation, a certified corporate financial statement shall accompany the application.

(c) Filing fees.

(1) A filing fee of \$25.00 shall be paid for any new application for a dealer's license, and a filing fee of \$5.00 shall be paid for any new application for a salesman's license.

(2) When a license is granted, the filing fee deposited with the application shall become part payment of the fee required for a particular class of license as provided in this part. When an application is denied or withdrawn, the filing fee paid shall become a realization of the board.

(d) Investigation and report. Upon the filing of any application, a staff member shall indorse thereon the date of filing thereof. If no patent disqualification of the applicant is disclosed or no valid objection to the granting of the application is apparent and if all requirements relative to the filing of the application appear to have been complied with, the chairman of the board or executive secretary shall refer the application to a staff member for investigation and report. Such report shall include:

(1) A statement as to whether or not the applicant is for any reason disqualified by any provision of this part from obtaining or exercising a license; and whether or not he has complied with all the requirements of this part relative to the making and filing of his application;

(2) Information relating to any and all other matters and things which in the judgment of the staff member pertain to or affect the matter of the application or the issuance or the exercise of the license applied for; and

(3) In the case of an application for a dealer's license, in addition to the foregoing:

(a) A description of the premises intended to become the licensed premises, and the equipment and surrounding conditions; and

(b) If the application is made by a person who has held a prior license for the same or any other premises within two years past, a statement as to the manner in which the premises have been operated and the business conducted under such previous license.

(e) Notice of interview. After the filing of the inspector's report upon any application the board may interview the applicant and upon such interview and other information that is before the board, it may grant or deny the application.

(f) Prior inspection of premises. No new dealer's license shall be issued under this part unless and until the board has caused to be made a thorough inspection of the premises upon which the proposed business

is to be conducted and is satisfied that it has met all the requirements as provided in this part and that all other general conditions and proposed methods of operation under the license are such as are suitable for carrying on the business in a reputable way.

(g) Limitation on license.

(1) A dealer's license issued under this part shall authorize the doing of the business at licensed premises, the boundaries of which shall be determined by the map or plan submitted together with an application for a dealer's license and which have been approved by the board, except in case of an enlargement or reduction of the licensed premises with the prior approval of the board indorsed on an amended map or plan.

(2) A license issued under this part shall authorize the doing of a business thereunder only in the county in which the same has been issued; and in the case of a salesman, the license shall authorize him to be a salesman only for the dealer named in an application for a license or an amended license."

g. By amending section 160-167 thereof to read as follows:

"Section 160-167. Application for dealer's license denied, when.

(a) Specific causes. Except as otherwise provided or permitted by section 160-174, an application for a dealer's license shall be denied by the board, if it finds one or more of the following causes:

(1) That such applicant has intentionally made a false statement of a material fact validly required in his application or any supplementary statement required by this part;

(2) That such applicant has not complied with the valid applicable provisions of this part or with any valid applicable regulation of the board issued hereunder;

(3) That such applicant is engaged, or will engage, in the business of selling at retail or wholesale any new motor vehicles without having authority of a contract with the manufacturer or manufacturer's authorized representative thereof, in cases where such authority can validly be required by the State;

(4) That such applicant has been guilty of a fraudulent act in connection with selling or otherwise dealing in motor vehicles;

(5) That such applicant has entered into, or is about to enter into, a contract, or agreement with a manufacturer or distributor of motor vehicles which is contrary to any valid provision of this part or of any valid regulation of the board issued thereunder;

(6) That such applicant is insolvent;

(7) That such applicant has been convicted of a felony, or misdemeanor involving moral turpitude, and not pardoned; or

(8) That such applicant has not reached the age of twenty years.

(b) Corporation as applicant, when. In case the applicant is a corporation, copartnership, trust or other business association, the board may refuse to issue a license if any officer, director, trustee, employee or partner of the applicant has been guilty of any act or omission which would be cause for refusing or revoking a license issued to such officer, director, trustee, employee, or partner as an individual.

(c) Other information. The board's findings may be based on facts

contained in the application, or any other information it may have, or both."

h. By adding thereto a new section to be numbered and to read as follows:

"Section 160-167.1. Additional requirements for dealer's license.

(a) Requirements to be met before issuance of dealer's license.

(1) The following requirements shall be met by an applicant for a dealer's license before a license may be issued by the board;

(a) The applicant shall have a site which will be used, primarily, for the purpose of selling, displaying, offering for sale or otherwise dealing in motor vehicles;

(b) The site shall have a permanent building thereon suitable for the display at any one time of at least three motor vehicles having an average wheel base of at least ninety inches; and

(c) The site shall have suitable sanitation facilities thereon.

(2) The foregoing requirements shall be applicable to branch locations of a dealer.

(b) Building requirement as to used motor vehicle dealers waived, when.

(1) If the board in any county shall find upon investigation that the foregoing requirement of a permanent building will impose undue hardship upon used motor vehicle dealers due to scarcity of available sites, or the unwillingness of the landowner to grant leases for reasonably long terms or permit the erection of permanent buildings suitable for display purposes as required herein, or the like, which render it impossible, economically unfeasible or impracticable to enforce the requirement of a permanent building against used motor vehicle dealers, the board may waive such requirement as to all used motor vehicle dealers; provided that such waiver shall be made only after a public hearing is held thereon, for which notice shall have been published at least one week prior to such public hearing in a newspaper of general circulation in the county concerned; provided further that such waiver may continue until such time the board shall find after investigation and public hearing thereon as provided herein that such conditions have ceased to exist or diminished to the extent that the building requirement may be enforced without imposing undue hardship upon used motor vehicle dealers; and provided further that if there is such waiver in effect, such site shall have suitable sanitation facilities thereon or suitable sanitation facilities within a reasonable distance as determined by the board from the site.

(2) The foregoing waiver and conditions shall be applicable to branch locations.

(c) Other related uses permissible. Such site may be used for other purposes which are accessory or customarily associated with the retail sale of motor vehicles, such as maintenance, operation of a repair, accessories, gasoline and oil, storage, parts, service, or paint branch or department."

i. By adding thereto a new section to be numbered and to read as follows:

"Section 160-167.5. Legal ownership certificates.

(a) Possession or proof of possession of legal ownership certificate.

No dealer shall sell or advertise for sale a motor vehicle unless the dealer has in his possession or proof of possession of the legal ownership certificate of the subject motor vehicle;

(b) Delivery of legal ownership certificate. The legal ownership certificate shall be delivered within the period as provided in section 160-10(b) hereof."

j. By adding thereto a new section to be numbered and to read as follows:

"Section 160-171.1. Term of license.

(a) Expiration date. Dealers' and salesmen's licenses shall expire on June 30 of each year unless sooner terminated, suspended or revoked. All applications for renewal of license shall be filed on or before June 30 of each year together with the applicable fees.

(b) Reapplication. If a duly licensed dealer or salesman fails to renew his license on or before June 30 of a fiscal year and desires to continue as a dealer or salesman, a new application for a dealer's or salesman's license, whichever the case may be, shall be filed thereafter and there shall be added to the license fee an amount equal to twenty-five per cent thereof as a penalty; provided that the application may be denied for good cause by the board."

k. By adding thereto a new section to be numbered and to read as follows:

"Section 160-171.2. Licenses terminate, when.

(a) Salesman's license. A salesman's license shall terminate upon the termination of the license of the dealer by whom he is employed or upon the termination of his employment with such dealer for any other reason;

(b) Dealer's license. A dealer's license shall terminate upon the permanent or temporary cessation of the business for which it was issued;

(c) Delivery to board of license. Upon the termination, suspension, or revocation of a dealer's or salesman's license, the holder shall deliver it to the board;

(d) License reissued, when. Where such termination is not the result of suspension or revocation by the board for cause, the board shall return the license to the holder without cost if he resumes his business or employment within the term for which it was issued."

l. By adding thereto a new section to be numbered and to read as follows:

"Section 160-171.3. Requirement for amended license.

(a) Application, when. Prior to entering the employ of a dealer, other than the one for whose employ his license was issued, a salesman shall apply to the board for an amended license authorizing such new employment. Unless good cause exists for refusal, the board shall issue such amended license for the period of the unexpired term of the original license. Failure to obtain a properly amended license prior to commencing such new employment shall constitute grounds for refusal to issue an amended salesman's license or revocation of the license.

(b) Executive secretary to issue. When an application is received for the first amended license during the term of the original license, the executive secretary or any person so authorized by the board shall

issue such license; provided the applicant is not disqualified under section 160-170 of this part.

(c) Board to issue. When an application is received for a second amended license or any amended license thereafter during the term of the original license, the board shall first interview the applicant prior to granting or denying of the application.

(d) Fees for amended license. The fees for an amended license within a term of the original license shall be as follows:

- (1) First amended license.....\$1.00;
- (2) Second amended license.....\$2.00; and
- (3) Any amended license thereafter.....\$5.00."

m. By adding thereto a new section to be numbered and to read as follows:

"Section 160-171.4. License not transferable; other requirements.

(a) Nontransferable. No license issued under this part shall be transferable;

(b) License to be posted. Each dealer shall keep the license or a certified copy thereof posted in a conspicuous place on each premises;

(c) License on person. Each salesman shall carry his license on his person or a certified copy thereof and shall exhibit such license or certified copy thereof upon demand by any person with whom he seeks to transact business as a motor vehicle salesman."

n. By amending section 160-173 thereof to read as follows:

"Section 160-173. Suspension; revocation; denial of renewal.

(a) Investigation by board, when. The board of its own motion whenever it has reason to believe cause therefor exists may, and upon the verified complaint in writing of any person shall, investigate the conduct of any licensee under this part and may suspend or revoke, or refuse to renew, any dealer's or salesman's license at any time in the manner and for any of the causes specified in this section or elsewhere in this part.

(b) Grounds for suspension, revocation or denial of renewal of license. The board may, after notice and hearing as provided in chapter 6C, Revised Laws of Hawaii 1955, and subject to appeal to the circuit court of the circuit in which such board has jurisdiction under the procedure and rules prescribed from time to time by the laws of the State or the applicable rules of the courts pertaining to appeals to circuit courts, suspend or revoke any license, or deny the renewal thereof, if it finds that the holder:

(1) Has made a false statement of a material fact in his application for a license or has obtained or attempted to obtain a license by fraud or misrepresentation;

(2) Has failed to comply, observe or adhere to any provision of this chapter or any other law relating to the sale, taxing or licensing of motor vehicles or any rule, regulation or order made pursuant to this part or chapter or such other law;

(3) Has been convicted of a felony, or misdemeanor involving moral turpitude, and has not been pardoned;

(4) Has committed a fraudulent act in selling, purchasing or otherwise dealing in motor vehicles or has misrepresented the terms and

conditions of a sale, purchase, or contract for sale or purchase of a motor vehicle;

(5) Has engaged in his business in such a manner as to cause injury to the public or to those with whom he is dealing.

(6) Has committed an act or failed to meet a condition which commission or failure would constitute grounds for refusing to issue a license.

(7) Has failed to comply, observe or adhere to any law in any other respect on account whereof the board may deem him to be an unfit or improper person to hold a license.

(c) Suspension pending hearing. When it is deemed urgent by the board, for the proper protection of the public, that a dealer's or salesman's license be immediately or summarily suspended pending a hearing of any charge against the licensee holding the same, the order of suspension shall be served upon the licensee at the same time as the notice of hearing on said charge. Any attempt of the licensee to continue his business or occupation, while his license is so suspended, shall of itself be sufficient to warrant a suspension or revocation of his license and shall also subject him to all the penalties by this part prescribed for the illicit sale of motor vehicles. For such disregard of an order suspending his license the board may summarily take possession of and impound all motor vehicles belonging to a dealer, whether or not the same are situated upon the licensed premises, pending final action in the case.

(d) In addition to criminal penalties. The suspension or revocation of a license by the board shall be in addition to any penalty that might be imposed upon any licensee upon a conviction at law for any violation of this part or chapter."

o. By amending section 160-174 thereof, by adding a new subsection thereto to be designated and to read as follows:

"(c) Notice to treasurer. A copy of the application of each dealer duly executed and approved by the board or a report of the suspension, revocation or change of status of a dealer's license shall be furnished to the treasurer promptly upon the granting, suspension, revocation or change of status of any dealer's license."

p. By amending section 160-175 thereof to read as follows:

"Section 160-175. Judicial review by circuit court.

(a) Judicial review of the records. Any person aggrieved by a final decision and order of the board in a 'contested case', as defined in chapter 6C, Revised Laws of Hawaii 1955, is entitled to judicial review thereof by the circuit court of the circuit in which the board making such final decision and order has jurisdiction. The review shall be as provided by said chapter 6C. It shall be conducted by the court without a jury and shall be confined to the record.

(b) Record of board's proceedings. The board shall keep a record of its hearings or proceedings in a 'contested case' either stenographically or by machine and shall provide a transcript of such hearings or proceedings to a licensee upon his request and at his expense."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 5, 1963.) **S.B. 480.**

ACT 200

An Act Respecting Jurisdiction of Courts in Matters Affecting Employers and Employees.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. No court of the State of Hawaii shall have jurisdiction to issue any restraining order or temporary or permanent injunction in a case involving or growing out of a labor dispute, except in a strict conformity with the provisions of this Act; nor shall any such restraining order or temporary or permanent injunction be issued contrary to the public policy declared herein.

SECTION 2. In the interpretation of this Act and in determining the jurisdiction and authority of the courts of the State, as such jurisdiction and authority are defined and limited in this Act, the public policy of the State of Hawaii is declared as follows:

Whereas under prevailing economic conditions, developed with the aid of governmental authority for owners of property to organize in the corporate and other forms of ownership association, the individual unorganized worker is commonly helpless to exercise actual liberty of contract and to protect his freedom of labor, and thereby to obtain acceptable terms and conditions of employment, wherefore, though he should be free to decline to associate with his fellows, it is necessary that he have full freedom of association, self-organization, and designation of representatives of his own choosing, to negotiate the terms and conditions of his employment, and that he shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; therefore, the following definitions of and limitations upon the jurisdiction and authority of the courts of the State of Hawaii are enacted.

SECTION 3. Any undertaking or promise, such as is described in this section, or any other undertaking or promise in conflict with the public policy declared in section 2 of this Act, is declared to be contrary to the public policy of the State of Hawaii, shall not be enforceable in any court of the State and shall not afford any basis for the granting of legal or equitable relief by any such court, including specifically the following:

Every undertaking or promise hereafter made, whether written or oral, express or implied, constituting or contained in any contract or agreement of hiring or employment between any individual, firm, company, association, or corporation, and any employee or prospective employee of the same, whereby:

(a) Either party to such contract or agreement undertakes or promises not to join, become or remain a member of any labor organization or of any employer organization; or

(b) Either party to such contract or agreement undertakes or promises that he will withdraw from an employment relation in the event that he joins, becomes, or remains a member of any labor organization or of any employer organization.

SECTION 4. No court of the State shall have jurisdiction to issue any restraining order or temporary or permanent injunction in any case involving or growing out of any labor dispute to prohibit any person or persons participating or interested in such dispute (as these terms are herein defined) from doing, whether singly or in concert, any of the following acts:

- (a) Ceasing or refusing to perform any work or to remain in any relation of employment;
- (b) Becoming or remaining a member of any labor organization, regardless of any such undertaking or promise as is described in section 3 of this Act;
- (c) Paying or giving to, or withholding from, any person participating or interested in such labor dispute, any strike or unemployment benefits or insurance, or other moneys or things of value;
- (d) By all lawful means aiding any person participating or interested in any labor dispute who is being proceeded against in, or is prosecuting, any action or suit in any court of the State;
- (e) Giving publicity to the existence of, or the facts involved in, any labor dispute, whether by advertising, speaking, patrolling, or by any other method not involving fraud or violence;
- (f) Assembling peaceably to act or to organize to act in promotion of their interests in a labor dispute;
- (g) Advising or notifying any person of an intention to do any of the acts heretofore specified; and
- (h) Agreeing with other persons to do or not to do any of the acts heretofore specified; and
- (i) Advising, urging, or otherwise causing or inducing without fraud or violence the acts heretofore specified, regardless of any such undertaking or promise as is described in section 3 of this Act.

SECTION 5. No court of the State shall have jurisdiction to issue a restraining order or temporary or permanent injunction upon the ground that any of the persons participating or interested in a labor dispute constitute or are engaged in an unlawful combination or conspiracy because of the doing in concert of the acts enumerated in section 4 of this Act.

SECTION 6. No officer or member of any association or organization, and no association or organization participating or interested in a labor dispute, shall be held responsible or liable in any court of the State for the unlawful acts of individual officers, members, or agents, except upon clear proof of actual participation in, or actual authorization of, such acts, or of ratification of such acts after actual knowledge thereof.

SECTION 7. No court of the State shall have jurisdiction to issue a temporary or permanent injunction in any case involving or growing out of a labor dispute, as defined in this Act, except after hearing the testimony of witnesses in open court (with opportunity for cross-examination) in support of the allegations of a complaint made under oath, and testimony in opposition thereto, if offered, and except after findings of fact by the court, to the effect—

- (a) That unlawful acts have been threatened and will be committed unless restrained or have been committed and will be continued unless

restrained, but no injunction or temporary restraining order shall be issued on account of any threat or unlawful act excepting against the person or persons, association, or organization making the threat or committing the unlawful act or actually authorizing or ratifying the same after actual knowledge thereof;

(b) That substantial and irreparable injury to complainant's property will follow;

(c) That as to each item of relief granted greater injury will be inflicted upon complainant by the denial or relief than will be inflicted upon defendants by the granting of relief;

(d) That complainant has no adequate remedy at law; and

(e) That the public officers charged with the duty to protect complainant's property are unable or unwilling to furnish adequate protection.

Such hearing shall be held after due and personal notice thereof has been given, in such manner as the court shall direct, to all known persons against whom relief is sought, and also to the chief of those public officials of the county and city within which the unlawful acts have been threatened or committed charged with the duty to protect complainant's property; provided, however, that if a complainant shall also allege that, unless a temporary restraining order shall be issued without notice, a substantial and irreparable injury to complainant's property will be unavoidable, such a temporary restraining order may be issued upon testimony under oath, sufficient, if sustained, to justify the court in issuing a temporary injunction upon a hearing after notice. Such a temporary restraining order shall be effective for no longer than five days and shall become void at the expiration of said five days. No temporary restraining order or temporary injunction shall be issued except on condition that complainant shall first file an undertaking with adequate security in an amount to be fixed by the court sufficient to recompensate those enjoined for any loss, expense, or damage caused by the improvident or erroneous issuance of such order or injunction, including all reasonable costs (together with a reasonable attorney's fee) and expense of defense against the order or against the granting of any injunctive relief sought in the same proceeding and subsequently denied by the court.

The undertaking mentioned in this section shall be understood to signify an agreement entered into by the complainant and the surety upon which a decree may be rendered in the same suit or proceeding against said complainant and surety, upon a hearing to assess damages of which hearing complainant and surety shall have reasonable notice, the said complainant and surety submitting themselves to the jurisdiction of the court for that purpose. But nothing in this section contained shall deprive any party having a claim or cause of action under or upon such undertaking from electing to pursue his ordinary remedy by suit at law or in equity.

SECTION 8. No restraining order or injunctive relief shall be granted to any complainant who has failed to comply with any obligation imposed by law which is involved in the labor dispute in question, or who has failed to make every reasonable effort to settle such dispute

either by negotiation or with the aid of any available governmental machinery of mediation or voluntary arbitration.

SECTION 9. No restraining order or temporary or permanent injunction shall be granted in a case involving or growing out of a labor dispute, except on the basis of findings of fact made and filed by the court in the record of the case prior to the issuance of such restraining order or injunction; and every restraining order or injunction granted in a case involving or growing out of a labor dispute shall include only a prohibition of such specific act or acts as may be expressly complained of in the bill of complaint or petition filed in such case and as shall be expressly included in said findings of fact made and filed by the court as provided in this Act.

SECTION 10. Whenever any court of the State shall issue or deny any temporary injunction in a case involving or growing out of a labor dispute, the court shall, upon the request of any party to the proceedings and on his filing the usual bond for costs, forthwith certify as in ordinary cases the record of the case to the Supreme Court for its review. Upon the filing of such record in the Supreme Court, the appeal shall be heard and the temporary injunctive order affirmed, modified, or set aside with the greatest possible expedition, giving the proceedings precedence over all other matters except older matters of the same character.

SECTION 11. In all cases arising under this Act in which a person shall be charged with contempt in a court of the State, the accused shall enjoy the right to a speedy and public trial by an impartial jury of the circuit wherein the contempt shall have been committed; provided, that this right shall not apply to contempts committed in the presence of the court or so near thereto as to interfere directly with the administration of justice or to apply to the misbehavior, misconduct, or disobedience of any officer of the court in respect to the writs, orders, or process of the court.

SECTION 12. The defendant in any proceeding for contempt of court may file with the court a demand for the retirement of the judge sitting in the proceeding, if the contempt arises from an attack upon the character or conduct of such judge and if the attack occurred elsewhere than in the presence of the court or so near thereto as to interfere directly with the administration of justice. Upon the filing of any such demand the judge shall thereupon proceed no further, but another judge shall be designated in the same manner as is provided by law. The demand shall be filed prior to the hearing in the contempt proceeding.

SECTION 13. When used in this Act, and for the purposes of this Act—

(a) A case shall be held to involve or to grow out of a labor dispute when the case involves persons who are engaged in the same industry, trade, craft, or occupation; or have direct or indirect interests therein; or who are employees of the same employer; or who are members of the same or an affiliated organization of employers or employees; whether such dispute is (1) between one or more employers or associations of employers and one or more employees or associations of employees;

(2) between one or more employers or associations of employers and one or more employers or associations of employers; or (3) between one or more employees or associations of employees and one or more employees or associations of employees; or when the case involves any conflicting or competing interests in a "labor dispute" (as defined in this section) of "persons participating or interested" therein (as defined in this section).

(b) A person or association shall be held to be a person participating or interested in a labor dispute if relief is sought against him or it, and if he or it is engaged in the same industry, trade, craft, or occupation in which such dispute occurs, or has a direct or indirect interest therein, or is a member, officer, or agent of any association composed in whole or in part of employers or employees engaged in such industry, trade, craft, or occupation.

(c) The term "labor dispute" includes any controversy concerning terms or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether or not the disputants stand in the proximate relation of employer and employee.

SECTION 14. (a) When granting appropriate temporary relief or a restraining order, or making and entering a decree enforcing, modifying, and enforcing as so modified, or setting aside in whole or in part an order of the Hawaii employment relations board, as provided in this section, the jurisdiction of courts sitting in equity shall not be limited by this Act.

(b) The Hawaii employment relations board shall have power, upon the filing of a complaint as provided in section 90-10 to petition any circuit court of the State of Hawaii within any circuit wherein the unfair labor practice in question is alleged to have occurred or wherein such person resides or transacts business, for appropriate temporary relief or restraining order. Upon the filing of any such petition the court shall cause notice thereof to be served upon such person, and thereupon shall have jurisdiction to grant to the Hawaii employment relations board such temporary relief or restraining order as it deems just and proper.

(c) Whenever it is charged that any person has engaged in an unfair labor practice within the meaning of section 90-8(e) (f) (g) (h) and (i), the preliminary investigation of such charge shall be made forthwith and given priority over all other cases except cases of like character in the office where it is filed or to which it is referred. If, after such investigation, the Hawaii employment relations board has reasonable cause to believe such charge is true, it shall petition any circuit court of the State of Hawaii within any circuit where the unfair labor practice in question has occurred, is alleged to have occurred, or wherein such person resides or transacts business, for appropriate injunctive relief pending the final adjudication of the Hawaii employment relations board with respect to such matter. Upon the filing of any such petition the circuit court shall have jurisdiction to grant such injunctive relief or temporary restraining order as it deems just and proper, notwithstanding any other provision of law: provided further,

that no temporary restraining order shall be issued without notice unless a petition alleges that substantial and irreparable injury to the charging party will be unavoidable and such temporary restraining order shall be effective for no longer than five days and will become void at the expiration of such period: provided further, that the Hawaii employment relations board shall not apply for any restraining order under section 90-8(e) (f) (g) (h) and (i) if a charge against the employer under section 90-7(b) has been filed and after the preliminary investigation, it has reasonable cause to believe that such charge is true and that a complaint should issue. Upon filing of any such petition the courts shall cause notice thereof to be served upon any person involved in the charge and such person, including the charging party, shall be given an opportunity to appear by counsel and present any relevant testimony: provided further, that for the purposes of this subsection circuit courts shall be deemed to have jurisdiction of a labor organization (1) in the circuit in which such organization maintains its principal office, or (2) in any circuit in which its duly authorized officers or agents are engaged in promoting or protecting the interests of employee members. The service of legal process upon such officer or agent shall constitute service upon the labor organization and make such organization a party to the suit.

SECTION 15. If any provision of this Act or the application thereof to any person or circumstance is held unconstitutional or otherwise invalid, the remaining provisions of the chapter and the application of such provisions to other persons or circumstances shall not be affected thereby.

SECTION 16. All acts and parts of acts in conflict with the provisions of this Act are repealed.

SECTION 17. This Act shall take effect upon its approval.

(Approved June 5, 1963.) **S.B. 545.**

ACT 201

A Bill for an Act Relating to Public Improvements and the Financing Thereof, Making Appropriations for Public Improvements and Plans Related Thereto Out of Special Funds and General Obligation Bond Funds for the Annual Period Ending June 30, 1964; and Providing for the Issuance of General Obligation Bonds.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The following sums, or so much thereof as shall be sufficient to finance the projects herein contained, are hereby appropriated or authorized, as the case may be, from moneys in the treasury received from special funds, general obligation bond funds, federal grants, to be expended by the department of accounting and general services, unless otherwise specified in the subsection. General obligation bonds may be issued as provided by law to yield the amount that may be necessary to finance projects herein that do not have funding specifically designated, provided, that the sum total of general obliga-

tion bonds so issued shall not exceed \$30,211,000. The letter symbols used after the specific project appropriation, if any, indicate the source of financing and shall have the following meaning: (s)—special funds, (f)—federal grants.

A. STATE PROJECTS NOT LOCATED IN ANY SPECIFIC COUNTY

1. Department of Land and Natural Resources
(To be expended by the Director, Department of Land and Natural Resources.)
 - a. Development of State lands for foreign trade complex and industrial subdivision 75,000
2. Department of Transportation
(To be expended by the Director, Department of Transportation.)
Highways Division
 - a. Statewide Highway Route Planning..... 187,000 s
Traffic, Finances, Road Use, and Road Life..... 393,000 f
3. Department of Accounting and General Services
(To be expended by the Department of Accounting and General Services.)
 - a. State Capitol Building..... 77,315
Completion of plans for State Capitol Building.
4. Office of Lieutenant Governor
(To be expended by the Office of Lieutenant Governor.)
 - a. For Purchase of Voting Machines..... 50,000

B. PROJECTS LOCATED IN THE CITY AND COUNTY OF HONOLULU

1. Department of Agriculture
 - a. Propagation Insectary, Honolulu..... 37,000
Building of about 1,500 sq. ft. for the propagation of newly introduced beneficial insects.
2. Department of Land and Natural Resources
(To be expended by the Director, Department of Land and Natural Resources.)
Land Development Projects
 - a. Waimanalo Development, Oahu..... 250,000 s
Subdivision construction to include circulation roads, sewerage system, primary water distribution system, major storm drainage, fill for low areas, and street lighting.
 - b. Magic Island, Oahu..... 1,500,000 s
Continuation of reefland reclamation off Ala Moana; current phase involves the construction of protective structures and dike and the placement of fill, including general fill material within the dikes of the Diamond Head peninsula.
 - c. Diamond Head Houselots, Oahu..... 529,900 s
Development of roads, domestic water and utilities for a 126 houselot subdivision to be added to the present Diamond Head View lots subdivision.
 - d. Waiahole Residential Lots, Oahu..... 8,000 s
Development of State subdivision including access road, water lines and other utilities.
 - e. Kuliouou House Lots, Oahu..... 20,000 s
Plans for development of a 120 lot subdivision (19 net acres) in Kuliouou Valley in Honolulu.
- Fish and Game**
 - f. Development and utilization of the oyster resources of the State 20,000
- State Parks**
 - g. Kahana Valley Park, Oahu..... 30,000
Appraisal of lands mauka of Kamehameha Highway to be completed by 1964 Budget Session.
 - h. Waahila Ridge 25,000
Development for organized group camping use.

i. Peacock Flats	31,590
Development for organized group camping use.	
j. Development of Makua Cave, Waianae, Oahu.....	10,000
To provide for the general improvement of the Makua Cave site in order to establish this facility as an added attraction for the tourists and the residents of Hawaii.	
3. Department of Transportation	
(To be expended by the Director, Department of Transportation.)	
Harbors	
a. Improvements to Piers 5-6, 8, 9, 10 & 11.....	865,000 s
Honolulu	
Improvement of passenger freight complex including Pier 5-6 parking area, plaza, customs area buildings, portal roof, landscaping and renovation of existing facilities.	
b. Development of Container Facilities, Fort Armstrong.....	60,000 s
Plans for the construction of a 650 ft. wharf extension to Pier 1.	
c. Kuhio Beach Improvements, Honolulu.....	540,000
Rehabilitate existing beach between Kapahulu storm drain and the Waikiki Beach Center in accordance with federally approved plans—provided, however, that such improvements shall not be constructed until the owners of at least two-thirds of the property owners along the shoreline along Waikiki Beach from the northern boundary of Kuhio Beach to the northern boundary of the Royal Hawaiian Hotel shall enter into an agreement with the State of Hawaii to so fix the boundaries of their private properties along such beach, so that no addition or accretion to private land along said beach shall accrue from thenceforth; and further that the existing public easement created under the 1928-1929 Waikiki Beach Reclamation Agreements shall remain as is; and provided further that the State of Hawaii shall not construct any permanent structures in the easement area fronting any private property. The Attorney General is directed to draft the agreement to meet the foregoing conditions and is also directed to condemn the littoral rights of such lands, whose owners don't agree to the above-mentioned conditions; using the funds appropriated under this paragraph.	
d. Keehi Lagoon	230,000
Continue development of Keehi Lagoon area.	
e. Kewalo Basin	20,000 s
Provide toilets and shower facilities.	
f. Paiko Lagoon Dredging.....	50,000
g. Small Boat Harbors.....	50,000
Windward Oahu	
Repairs and Improvements.	
h. Haleiwa Beach Restoration and Small Boat Harbor.....	640,000
Land acquisition, beach restoration and development of a small boat harbor. To be used with Act 195/61 and Act 30/62 appropriations.	
Highways, Refinancing	
i. Aiea Interchange	196,000 s
Completion of Project S-0720(2) and F-090-1(4).	162,000
j. Lunalilo Freeway—Kalihi Street Paving.....	170,000
Completion of Project U-072-1(10) and USS-0630(8).	
k. Lunalilo Freeway, Kaimuki Section.....	1,135,000
Right-of-way acquisition.	
l. Vineyard Boulevard—Lusitana to Lunalilo.....	50,000 s
Completion of Project U-098-1(3).	
m. Moanalua Road	206,000
Right-of-way acquisition.	
n. Ewa-Schofield Junction	21,000
o. Farrington Highway Widening—Waipio Junction to Ewa-Wai-	

anae Junction	474,800	
	105,200	s
	807,000	f
Widening of 3.0 miles of existing Farrington Highway from two lanes to four lanes from Waipio Junction to Ewa-Wai-anae Junction.		
p. Lunalilo Freeway—Kalihi Street Paving.....	86,000	
	31,000	f
Paving, installation of sprinkler system and landscaping of Kalihi Interchange and Lunalilo Freeway from Houghtailing Street to Kalihi Stream.		
q. Aiea Interchange	1,224,000	
	478,000	f
Construction of four-lane divided highway, including ramps, access roads, and appurtenant facilities to connect existing roads from Honomanu Street-Kamehameha Highway intersection to Project S-219(4) on Moanalua Road.		
r. Interstate Route H-1, Barber's Point to Kunia Road, Section II	515,000	
Construction of four-lane highway from Makakilo to Kunia Road, excluding Kunia Interchange.		
s. Kunia Road—Farrington Highway towards Schofield Barracks	51,000	
	54,000	f
Construction of 1.0 mile of two and four-lane divided highway from Farrington Highway toward Schofield Barracks in conjunction with Interstate Route H-1—Barber's Point to Kunia Road.		
t. Interstate Route H-2, Waiawa Interchange to Schofield Barracks	95,000	
	938,000	f
Plans and rights-of-way acquisition for the construction of 7.6 miles of divided highway including a major bridge crossing at Kipapa Gulch and an interchange structure in the vicinity of Wahiawa.		
u. Interstate Route H-1, East of Kunia Interchange to East of Waiawa Interchange, PE & RW.....	325,000	
	439,000	f
Construction of 3.9 miles of six-lane divided highway including the Waiawa Interchange, from east of the new Kunia Interchange to east of the proposed Waiawa Interchange.		
v. Interstate Route H-1, East of Waiawa Interchange to West of Waiawa Interchange	70,000	
	400,000	f
Plans and land acquisition for the construction of 1.1 miles of eight-lane divided highway, from east of the new Waiawa Interchange to west of the proposed Waiawa Interchange.		
w. Lunalilo Freeway—Nuuanu Stream to Pele Street.....	25,000	
	20,000	f
To update plans and acquire right-of-way prior to paving of 0.597 miles of six-lane divided highway from Nuuanu Stream to Pele Street.		
x. Traffic Signals at Nimitz Highway—Fort Kam Access Road Intersection	55,000	
Installation of traffic signals.		
y. Farrington Highway—Barber's Point towards Piliokoe Gulch	82,000	f
Plans for the construction of 4.6 miles of four-lane highway from Barber's Point towards Piliokoe Gulch.		
z. Interstate Route H-1, West of Waiawa Interchange to East of Halawa Interchange	364,000	f
Plans and land acquisition for the construction of 3.3 miles of eight-lane divided highway, including the Halawa and Waiawa Interchanges, from west of the new Waiawa Interchange to east of the proposed Halawa Interchange.		

aa.	Overpass on Likelike Highway.....	100,000
	Construction, near Dole Intermediate and Kaewai Elementary School.	
bb.	Puuloa Road—street lights between Kamehameha Highway and Moanalua Road	20,000
cc.	Street Lights, Sand Island Access Road.....	25,000
dd.	Footbridges, Windward Oahu.....	50,000
	Construction along existing vehicular bridges on public highways.	
ee.	Kalaniana'ole Highway from Kailua Junction towards Waimanalo	309,368
	Supplement to Act 30, S.L.H. 1962.	
ff.	Farrington Highway Widening, Oahu.....	150,000
	Preliminary engineering and land acquisition, Piliokoe Guleh towards Waianae.	
gg.	Installation of Overhead Street Lights on Moanalua Road, Oahu	14,000
	Halawa Heights Road to Hale Street.	
hh.	Construction of Overpass on Farrington Highway in Waipahu, Oahu (Wailani)	90,000
ii.	Street Extension of Kihale Place, Aiea.....	50,000
	Extension of Street to Kamehameha Highway.	
jj.	Kalaniana'ole Highway—Kirkwood to May Way.....	50,000
	Widen existing highway to four lanes. Supplement appropriation to meet contract bid amount.	
4.	Department of Education	
	Technical and Special Schools	
a.	Honolulu Technical School, Welding Shops and Classrooms....	139,000
	Butler-Type building for the welding training program.	
b.	Honolulu Technical School.....	315,000
	Building to house library, classrooms and administration office.	
c.	Honolulu Technical School.....	130,000
	Building for electricity (electrical) training program, parking area and roadway.	
d.	Diamond Head School, Administration Building.....	91,000
	One-story building to contain the administrative unit of the school, and parking area.	
e.	School for Crippled Children, Plans.....	40,000
	Classrooms for crippled children now at Pohukaina School.	
	Public Libraries	
f.	Kahuku Public-School Library (new).....	50,000
	Plans, construction, equipment and books.	
g.	New Wahiawa Branch Library.....	239,000
	Plans, construction, equipment.	
h.	Waianae Branch Library, Waianae, Oahu.....	300,000
	Land acquisition, plans, construction, equipment and books.	
i.	Aiea Branch Library.....	27,368
	Supplementing Act 30 of 1962 for Aiea Branch Library, Oahu.	
j.	Kalihi-Palama Library	25,000
	Supplementary appropriation for completion of parking lot and construction of Kalihi-Palama Library.	
k.	Kauluwela-Kukui Library	441,000
	As supplement to prior appropriation and to include construction and purchase of equipment.	
l.	McCully-Moiliili Branch Library.....	361,000
	Acquisition of lands, plans, construction and equipment.	
m.	New Kaimuki Library.....	165,000
	Additional funds for land, plans, construction and equipment supplementing prior appropriations.	
5.	University of Hawaii	
a.	Classroom Building #4 and Agricultural Facilities, Classrooms, Laboratories, Faculty Offices. Plans.....	79,000

b. Classrooms Building #3. Furnishings and equipment—To equip buildings now under construction.....	100,000
c. Women's Dormitory. Furnishings and Equipment—To supplement \$30,000 available in fiscal '63 for equipping a dormitory for 140 women students.....	88,000
d. Hawaii Marine Laboratory, Coconut Island—Replacement of buildings and equipment destroyed by a fire in December 1961. Provided that no funds will be expended if State's title to the land is not clear or if it is not leased for a term of at least 55 years	285,000
e. Roads, Drainage and Utilities.....	131,000
Incremental development and improvement of roads, drainage facilities, campus lighting and utilities.	
f. Wist Hall Additions—Plans, construction and equipment to make Wist Hall operate as an integrated facility.....	443,000
g. Improvement of existing athletic facilities, including the paving of parking area, installing all weather track, bleachers and repairing of athletic fields.....	100,000
h. Tennis and Volleyball Courts.....	40,000
i. Community College—Plans for the establishment of a State-wide Community College system. To be expended by President, U. H.	50,000
j. Graduate Research Library—Plans for construction of a graduate research library facility.....	120,000
k. Campus Development Plan.....	80,000
Hilo Campus Development	
l. Hilo Campus Development Plan—A long range development plan to permit orderly incremental additions to the Hilo Campus	18,000
6. Hawaiian Home Lands	
(To be expended by the Director, Hawaiian Home Lands.)	
a. Nanakuli, Oahu—Improvement of roads to meet County standards	53,925
	31,075 s
7. Department of Health	
a. New Incinerator, State Hospital—Replacement of present incinerator not large enough for daily waste.....	24,000
b. Installation of cafeterias, Waimano Training School and Hospital—Rearrangement of present kitchens to provide cafeteria-type service for savings in staff costs and more sanitary conditions	14,000
c. Renovation of Wards at State Hospital.....	54,000
Renovation is part of existing program to make 30-year old wards more efficient and pleasant.	
d. Remodeling—Three Dormitory units, Waimano Training School and Hospital—Redesign Building 9 for young ambulatory patients; and provide slab bathtubs and smaller toilet fixtures, fenced playground, redesign windows and bed accommodations of twelve confinement rooms in Buildings 6 and 7.....	12,000
e. Installation of Auxiliary Generator, State Hospital—Overhaul and install generator, now on hand, to provide auxiliary generator for Goddard and medical-surgical buildings.....	10,000
f. Expansion of Day Rooms, Waimano—Incremental enlargement of day rooms for 4 girls' and boys' dormitories from present 900 sq. ft. to 1,900 sq. ft. Each dormitory has 70 residents.....	35,000
g. Kahuku Hospital. Diagnostic Treatment Building. A grant to the Kahuku Hospital for the construction of a diagnostic building. Funds to be allocated provided it is matched by Hill-Burton Funds	125,000
Lanakila Health Center	
h. Funds for plans, paving of roads and construction of retaining wall	9,000
Kuakini Hospital	
i. State grant for construction and expansion of present hospital	

	facilities. Funds to be allocated provided it is matched by Hill-Burton Funds	100,000
j.	Kapiolani Maternity and Gynecological Hospital. State grant for construction and expansion of present hospital facilities. Funds to be allocated provided it is matched by Hill-Burton Funds	250,000
	St. Francis Hospital	
k.	State grant for construction and expansion of present hospital facilities. Funds to be allocated provided it is matched by Hill-Burton Funds	100,000
8.	Department of Social Services	
	Corrections Division	
a.	Cesspools, Youth Correctional Facility.....	9,000
b.	Re-roofing, Youth Correctional Facility—Complete re-roofing of Olomana, Kaala and Maunawili Cottages.....	25,000
c.	Repair of Electrical System, Youth Correctional Facility—Renovate and repair the entire electrical service to the Girls' Facility area, including Barn and Dairy, Olomana School, and Maunawili reservoir and pump. Replace all termite infested poles and cross arms and worn-out wires.....	6,000
d.	Re-roofing or major renovation of roofs of buildings in the girls' facility area, youth correctional facility.....	14,000
e.	Install Ceramic Tile in Bathrooms of Olomana, Kaala and Maunawili cottages, Youth Correctional Facility.....	7,000
f.	State Prison, Laundry.....	27,000
	Renovate laundry building and provide new equipment.	
9.	Accounting and General Services	
a.	State Office Building, Oahu. Plans for the First Increment.... Plans for an office building of approximately 76,000 sq. ft. to temporarily house legislature and state agencies dislocated by construction of State Capitol Building.	115,000
b.	State Civic Center Master Plan, Honolulu..... A master plan to be financed jointly by the State and the City and County of Honolulu, including: departmental programs, space requirements, parking and traffic circulation, land acquisition, and utility requirements.	40,000
c.	Restoration of Washington Place, Honolulu..... Investigate and evaluate present condition of building, prepare plans, cost of renovations and undertake most urgent renovations.	50,000
d.	Renovation of Electrical System, Honolulu Civic Center..... Renovate external electrical systems to correct existing and expected critical deficiencies.	56,000
10.	Attorney General	
a.	Improvements, Attorney General's Offices..... Renovate interior of building to include alteration and additions to the lighting, air conditioning and electrical systems and necessary partitioning.	37,000
11.	County Projects in the City and County of Honolulu (To be expended by the City and County of Honolulu unless otherwise specified.)	
	School Projects	
a.	Waialua—Mokuleia Elementary School (New)..... Land Acquisition.	95,000
b.	Kaala Elementary School Library..... Construction.	76,000
c.	Ewa Elementary School..... Extension of School Library.	20,000
d.	Ewa Elementary School..... Paving of Campus Roads.	10,000
e.	Aiea High School Physical Education Facilities..... Shower, locker-room, and physical education facilities.	85,000

f.	Ewa Beach Elementary School.....	65,000
	Additional Classrooms.	
g.	August Ahrens School, Waipahu.....	100,000
	Additional Classrooms.	
h.	Highlands Intermediate School—Lehua Park, Pearl City.....	160,000
	Construction and improvement of physical education facilities.	
i.	Nanaikapono School	40,000
	Portable classrooms for 10th grade.	
j.	Waimalu School	10,000
	Plans for Library.	
k.	Waianae Elementary School.....	10,222
	Enlarging and screening of cafetorium.	
l.	Farrington High School.....	330,000
	For music room, completion of fieldhouse complex.	
m.	Kalihi Kai School.....	190,000
	Planning and construction of additional classrooms.	
n.	Kalihi-Waena School Cafetorium.....	200,000
o.	Fern School	100,000
	Cafetorium and equipment. To supplement Act 30, 1962 appropriation.	
p.	Puuahale School	30,000
	For portable classrooms.	
q.	Moanalua School	5,000
	For PA System.	
r.	Lanakila School	42,000
	Funds for constructing covered walkways and fence, installation of a sprinkler system for school yard and toilet facilities for the library.	
s.	Maemae School	137,000
	Funds for constructing covered walkways \$5,000.	
	Funds for planning and constructing 6 kindergarten classrooms \$132,000.	
t.	Kapalama School	176,000
	Funds for planning and construction of additional classrooms.	
u.	Royal Elementary School.....	220,000
	Plans and construction of classroom building.	
v.	Kaahumanu Elementary School.....	12,000
	Improvements to sidewalks and construction of covered walkways on campus.	
w.	Pohukaina Elementary School.....	5,000
	Improvements to classrooms for mentally retarded.	
x.	Roosevelt High School.....	25,000
	Expansion of cafeteria.	
y.	Kawananakoa Intermediate School.....	15,000
	Plans and conversion of basic classroom to language laboratory classroom and equipment.	
z.	Roosevelt High School.....	10,000
	Plans and specifications for library expansion.	
aa.	McKinley High School.....	35,000
	Plans and specifications for gymnasium.	
bb.	Kauluwela School	250,000
	Planning and construction of additional classrooms.	
cc.	Kaimuki High School.....	1,000
	Completion of flood light for swimming pool.	
dd.	Ala Wai Elementary	6,000
	Construction of parking area.	
ee.	Anuenue Elementary School—Cafetorium.....	225,000
	Planning, engineering, construction and equipment.	
ff.	Liliuokalani Elementary School—8 Classrooms (Replacement).	176,000
	Planning, engineering, construction and equipment.	
gg.	Jarrett Intermediate School.....	55,000
	Improvement of playgrounds and lighting facilities of school and adjoining area (Palolo Playground).	

hh.	Palolo Elementary School.....	3,000
	Chain link fence.	
ii.	Noelani Elementary School.....	247,000
	Planning, construction, equipment and incidentals to complete second increment, classrooms and cafetorium.	
jj.	Washington Intermediate School.....	20,000
	Planning and construction for covered concrete walkway.	
kk.	Washington Intermediate School.....	16,000
	Plans for Industrial Arts Bldg.	
ll.	Manoa Elementary School.....	20,000
	Completion of drainage system and covered walkway.	
mm.	Lunalilo Elementary School.....	16,000
	Plans for cafetorium.	
nn.	Ala Wai Elementary School.....	56,222
	Planning and construction of drainage system and other site improvements.	
oo.	Lunalilo Elementary School.....	5,000
	Planning and construction of chain link fence, and incidentals.	
pp.	Hokulani School	100,000
	Planning and construction for administration/library building.	
qq.	Palolo Elementary School.....	10,000
	Covered walks.	
rr.	Kaimuki High School.....	31,222
	Improvement of athletic field abutting Date Street.	
ss.	John H. Wilson Elementary School.....	168,000
	Plans and construction of 3rd increment—classrooms.	
tt.	Kailua High School.....	400,000
	Plans, construction and equipment. Combination gymnasium and field house.	
uu.	Castle High School.....	40,000
	Gymnasium and athletic field. Repairs, renovation and equipment.	
vv.	Waimanalo School	10,222
	Covered walkways. Construction.	
ww.	Kahaluu Elementary School.....	50,000
	Playground.	
xx.	Benjamin Parker School.....	12,000
	Covered walkway.	
Miscellaneous		
aaa.	Pensacola Street Relief Drain.....	475,000
	Acquisition, planning, construction and inspection.	
bbb.	Tantalus Drive, Papakolea.....	15,000
	Plans and construction of guard rails on concrete base.	
ccc.	Ala Wai Golf Course.....	100,000
	Install sprinkler system and automatic water pump.	
ddd.	Kunawai Park (Makai Spring Site).....	50,000
	Funds for developing and equipping park facilities to attract tourists.	
eee.	Liliuokalani Garden	40,000
	Supplement to prior appropriation to further develop tourist park site.	
fff.	Paki Playground Extension.....	30,000
	Construction of pavilion with toilet facilities.	
ggg.	Waialua Flood Control.....	20,000
	Plans and engineering for development of flood control facilities at Waialua, Oahu.	
hhh.	Jonathan Spring Site.....	36,000
	Funds for planning and developing and equipping park with necessary facilities.	
iii.	Sheridan Tract, Oahu.....	125,000
	Plan and construction of roads, storm drains, etc.	

jjj. Footbridge across Manoa Stream on Pawaina Street.....	10,000
kkk. Kemole Lane and Poha Lane.....	3,000
Resurface Kemole Lane and Poha Lane from King Street to Beretania Street.	
lll. Laimi Road, Nuuanu.....	20,000
Plans and construction to cover open drainage ditch and widen Laimi Road thereon.	
mmm. Puunui Park	20,000
Excavation and embankment, grass planting, installation of sprinkler system, stone masonry and chain link fence.	
nnn. Kuliouou Stream Dredging.....	25,000

C. PROJECTS LOCATED IN THE COUNTY OF MAUI

1. Department of Land and Natural Resources
(To be expended by the Director, Department of Land and Natural Resources unless otherwise specified.)
Land Development
 - a. Molokai Farm Lots, Molokai..... 30,000 s
Plans, engineering and development of a subdivision for diversified agriculture.
 - b. Wahikuli House Lots..... 225,000 s
Incremental development of roads, water and utilities and water source transmission line, tanks, and appurtenances to provide water for the House lot Development and Lahaina town.
- State Parks**
 - c. Kaumanahina Park 20,000 || Construction of shelter cabins. | |
 - d. Iao Valley Park..... 10,000 || Improvements. | |
 - e. Lahaina State Beach Park (Laniupoko)..... 30,000 || For waterline and restrooms. | |
 - f. Lahaina Historical Restoration..... 40,000 || | 20,000 f |
| Continuing program for restoration. | |
 - g. New State Park Between Wailuku and Kahului, Maui..... 20,000 || Plans. | |
 - h. Kanaha Pond Wildlife Sanctuary..... 50,000 || Improvements and removing of stench. | |
 - i. Kealia Pond 20,000 || (To be expended by the County of Maui for dust control.) | |
- Water Development**
 - j. Molokai Irrigation Project..... 40,000
Plans and construction of distribution lines.
2. Department of Transportation
(To be expended by Director, Department of Transportation.)
Airports
 - a. Kahului Airport Complex
 - 1) To complete the complex by the inclusion of a restaurant, general landscaping and improvement of parking area.... 113,560
 - 2) Installation of Runway and Taxiway Lights — Install medium intensity lights on runway 2-20; relocate lights on runway 5-23; and taxiway lights for taxiway 2-20..... 111,440 s
Provided however, in the event that the 113,560 in (1) together with prior appropriations are insufficient to complete the airport complex, any part or all of the 111,440s in (2) may be used to make up any deficiency, without installing any runway or taxiway lights, if necessary.
 - b. Four Stall Fire & Rescue Building, Kahului Airport..... 17,000 s
15,000 f
To provide housing for fire rescue equipment.
 - c. Lanai Airport Expansion..... 25,000
Extension of existing runway. An additional \$100,000 to be added if and when the Director exercises his right to increase

the neighbor island landing fees under the airport use agreement.

Harbors

- d. Lanai Small Boat Harbor, Manele Bay..... 165,000
200,000 f
- Construct breakwater, extend utility lines, pave area and expand mooring facilities.
- e. Kahului Pier 1, Improvements..... 55,000 s
- Replace petroleum products line at Pier 1.
- f. Kahului Harbor 166,125 s
- Access to Pier 2 and acquisition of shoreland between Pier 1 and Pier 2 and lengthening of Pier 1.

Highways

- h. Lower Kula Road..... 96,950
100,050 s
- Completion of 8 miles of two-lane highway-Pukalani-Makawao junction to Junction FAS-377 northeast of Keokea.
- i. Farrington Avenue, Molokai..... 48,000
17,000 f
- Additional funds for construction of two-lane highway, 2.44 miles from Puu Peelua Avenue to Route 47 east of Kuulapuu.
- j. Hana Belt Road, Kakipi Gulch..... 156,000
43,000 f
- Construct a bridge and 0.9 mile of two-lane pavement.
- k. Waiehu Beach Road..... 50,000
40,000 f
- Plans and land acquisition for the reconstruction and paving of 1.0 mile section of existing road including bridge and major drainage improvements from Iao Stream to Kahekili Highway.
- l. Waihee Bridge and Approaches..... 15,000
12,000 f
- Plans for construction of reinforced concrete bridge over Waihee stream, replacing two wooden bridges.
3. Department of Education
- a. Lahainaluna High School..... 310,000
- Dormitory for 50 students.
4. Hawaiian Homes Commission
- (To be expended by the Director, Hawaiian Homes Commission.)
- a. Paukalo House Lots..... 7,975 s
- Plans for second increment, houselots.
5. Department of Health
- a. Kalaupapa Settlement 10,000
- Reinforcement of existing wooden bridge.
- b. Kalaupapa Settlement 10,000
- Combination park and baseball field.
- c. Kalaupapa Settlement 80,000
- Replace patient cottages.
- d. Maui Health Center..... 35,000
- Plans for construction of department office, laboratory and clinic, garage buildings with floor area of 12,339 sq. ft. with approximately 40 rooms.
- e. Molokai General Hospital..... 25,000
- Paving of access road and parking area; equipment and furnishings.
6. Accounting & General Services
- a. State Office Building, Wailuku..... 500,000
- A building for joint occupancy by certain State agencies.
7. Assistance to County
- (To be expended by the County of Maui unless otherwise specified.)
- School Projects**
- a. Kahului School, Covered Walkway..... 15,000
- Additional funds to complete construction provided by Act 30, Regular Session of 1962.

b. Hana High School.....	20,000
Additional funds to complete construction of Vocational Agriculture building provided by Act 30, Regular Session of 1962.	
c. New Molokai Elementary School, Kualapuu.....	500,000
Plans and construction of classrooms, office, library, cafeteria and land acquisition.	
d. New Kahului School, Sixth Increment.....	700,000
Construction of classrooms, office, library and cafeteria.	
e. Kealahou-Keokea School.....	100,000
Additional funds to complete construction of new school provided by Act 30, Regular Session of 1962.	
f. Kaunakakai Elementary School, Molokai.....	25,000
Plans for classrooms and cafeteria.	
g. Lanai High and Elementary School.....	25,000
Plans for classrooms.	
h. Pukalani School and Park Site.....	75,000
Acquisition of land.	

Water Development

i. Lower Kula Transmission Line.....	638,383
For incremental development of transmission lines, tanks, and other appurtenances. (To be expended by the Board of Water Supply, County of Maui.)	
j. Makawao Water System.....	125,000
Incremental redevelopment of Makawao system. (To be expended by Board of Water Supply, County of Maui.)	

Hospitals

k. Hana Medical Center.....	10,000
(To be expended by the County of Maui for equipment, to be approved by the Board of Trustees of Maui Community Hospitals.)	
l. Kula Sanatorium	10,000
Third floor, weatherproofing and renovation of lanai wards and room 310.	

Others

m. Sewer System, Honokowai, Lahaina.....	40,000
Feasibility study.	
n. Kalama Park, Extension and Pavilion.....	50,000
o. Fifty-Meter Olympic Swimming Pool.....	10,000
Wailuku Plans.	
p. Maui Vocational School.....	20,000
Paving and Resurfacing Campus Roads.	

D. PROJECTS LOCATED IN THE COUNTY OF HAWAII

1. Department of Agriculture
(To be expended by Department of Agriculture.)
 - a. Ginger export storage project..... 10,000
2. Department of Land and Natural Resources
(To be expended by the Director, Department of Land and Natural Resources unless otherwise specified.)

Land Development

a. University Heights Houselots.....	100,000 s
Development of road, water and other utilities to open a houselot subdivision in the Waiakea-uka homestead area in Hilo.	
b. Volcano Farm Lots.....	26,000 s
Development of farm subdivisions to be added to the present Volcano farm lot subdivisions, development of roads and power lines.	
c. Lalamilo Farm Lots Subdivisions. Plans.....	15,000 s
d. Pasture and Agriculture Land Development, Hamakua.....	25,000 s
Supplement to prior appropriation. Farm roads, fences, and such utilities as needed to develop large pasture and agricultural areas into smaller economic units.	

State Parks

- e. Wailoa River Park..... 30,000
Continuing program for the development of a State river park. Funds may be expended for pond and the open space area.
- f. Kalapana Beach Development..... 30,000
For camping, pond, and improvement of related facilities to be expended by the County of Hawaii to facilitate tourist traveling along the Chain of Craters complex.
- g. Canoe Shed 25,000
To be constructed in Wailoa River Park complex or Hilo Bay.

Fish and Game

- h. Mauna Kea-Mauna Loa Game Management..... 3,978
Mammal Introduction.
Games management area, Hawaii.

Water Development

- i. Keei to Honaunau, Water Transmission Line, South Kona.... 35,000
Construction of continuation of water transmission line from Keei to Honaunau.
- j. Puna Ground and Surface Water Development..... 60,000
Plans, specifications and construction for water facilities and related appurtenances for Puna District, to be expended by Board of Water Supply, County of Hawaii. Provided that any unrequired balance of this appropriation shall be transferred to other water projects in said district.
- k. Kalapana Water System..... 5,000
Construction drawings and specifications for appurtenances and related facilities to be expended by Board of Water Supply, County of Hawaii.
- l. Hamakua and Kohala Water Development Study..... 100,000
Completion of study, development and construction of new water sources, intakes and other facilities to be done jointly with the Board of Water Supply, County of Hawaii.
- m. Honaunau Water Transmission Line..... 10,000
Plans for the construction of transmission main from Keei well to City of Refuge National Park. (To be expended by the Board of Water Supply, County of Hawaii.)
- n. Waiaha-Kalaoa Water Transmission Line..... 39,572
Plans and construction for transmission line and other appurtenances along upper belt road Waiaha towards Kalaoa, Hawaii. (To be expended by the Board of Water Supply, County of Hawaii.)
- 3. Department of Transportation
(To be expended by the Director, Department of Transportation unless otherwise specified.)
 - a. For Relocation of Keaukaha, Hawaiian Homes Project..... 121,000
To defray expenses of cost of relocation.

Airport

- b. Five-stall Fire and Rescue Building, General Lyman Field, Hilo 20,000 s
18,000 f
Provide housing for Air Force fire fighting equipment.
- c. General Lyman Airfield, Hilo..... 110,000 s
Repairs and renovation.

Harbors

- d. Vacuum Cooling Plants, Hawaii
 - Install vacuum plant at Hilo..... 60,000 s
 - Install vacuum plant at Kamuela..... 60,000 b
- e. Kailua Wharf Shed..... 50,000 s
Demolition of shed.
- f. Wailoa River Improvement..... 18,000
Repair and expand launching facilities including finger piers to meet heavy duty launching and provide area for launched boats.

g. Hilo Harbor	34,000	s
Repairs and renovations.		
h. Small Boat Launching Ramp, North Kohala.....	10,000	
Plans and construction.		
i. Dock Facilities, Kawaihae.....	70,000	s
Erect three dolphins and necessary appurtenances.		
Highways		
j. Kona-Hilo Road	70,000	
Additional funds to construct road to connect Saddle Road to Kona-Hilo Road.		
k. Hawaii Belt Road, Keauhou toward Kainaliu.....	140,000	
Construct 2.8 miles of two-lane highway with drains, high-type pavement partial control of access and frontage roads.	265,500	f
l. Kawaihae-Mahukona Road	203,000	
Acquisition of lands and construction, including plans.		
m. Hawaii Belt Road.....	65,000	
Improvement to existing belt road from Palani Junction to Keauhou Junction, and install light at Palani Junction.		
n. Second Intersection Kanoolehua Avenue, Hilo.....	45,000	f
Plans and construction.		
o. Akaka Falls Road, Hawaii.....	50,000	
Improve, construct, pave and resurface existing Akaka Falls road.		
p. Overpass Lights, Hawaii Belt Road.....	5,000	
Install lights at pedestrian overpasses at Hakalau and Papai-kou, Hamakua Belt Road.		
q. Relocation of Lower Keauau Connections.....	38,000	
Connections to include vapor lights on three major exits from Keauau Village-Project F-011-2(2), Olaa-Hilo Road.		
r. Keauau-Pahoa Road	400,000	
4.5 miles of two-lane highway between Keauau and Project S-231(1).		
s. Shoulder Improvements	37,000	
Project F-2(4) Olaa, Kurtistown and Mt. View. Pavement of shoulders and also to provide addition and replacement of existing conventional lights to mercury vapor lights.		
t. Chain of Craters Road.....	11,450	
Refinancing of Project. Kaimu to Volcanoes National Park Boundary.	134,550	s
u. Volcano Road	25,000	
Refinancing of Project. Glenwood Section.		
v. Cement Rubble Masonry Retaining Wall, Kapaau-Hawi Road..	9,000	
Construction of retaining wall at Honopueo, North Kohala.		
w. Hawaii Belt Road, Honokaa-Mud Lane.....	110,000	
Supplement to appropriation of Act 30, S.L.H. 1962.		
x. Honokaa-Waipio Road	50,000	
Refinancing of Project.		
y. Kailua-Kawaihae Road	100,000	
Supplementing prior appropriation.		
4. Department of Education		
Special and Technical Schools		
a. Hawaii Technical School, Hilo.....	220,000	
Construction of a one-story building for business education, science and general classrooms.		
Public Libraries		
b. School and Community Library, Pahoa.....	2,000	
Preliminary plans for construction.		
5. Department of Accounting and General Services		
a. New County of Hawaii Building Complex, Kaiko'o Project, Hilo, Hawaii	650,000	
To be made available to County of Hawaii for the acquisi-		

- tion and/or leasing of site in the Kaiko'o Project for new County Building; for construction plans, survey, borings and other appurtenances for new County Building and plans and development of open park area in Kaiko'o Project including parking area. Should the County of Hawaii fail to select the Kaiko'o area for its new County Building before July 31, 1963, then the amount and projects above described shall be expended for the development and construction of a new state building. (To be expended by County of Hawaii and/or the Department of Accounting and General Services.)
- b. Replacement of Keaau Civic Center Building and Facilities... 150,000
To house certain governmental agency, caused by Federal aid highway construction. (Funds for plans previously appropriated by Act 30 of 1962 also provided that funds be expended by County of Hawaii.)
6. Department of Defense
- a. Honokaa Armory 215,000
125,000 f
Plans, construction, equipment and appurtenances for a building to house Company D, 2nd Battle Group, 299th Infantry, and for school and community use.
7. Department of Health
- a. Renovation of Hilo Hospital Building..... 75,000
Renovation of nurses quarters building to house Hawaii's Mental Health Clinic. Included is \$50,000 for repair to the hospital proper.
- b. Hilo Sewer System.....1,375,000
A grant to County of Hawaii to match County appropriation and Federal grant which may become available, provided, only so much of this appropriation will be used to provide an amount equal to one-fourth of the sum of County and Federal funds that may become available. The balance remaining is appropriated for the following projects in the order of priorities and amounts listed; and provided further that if no County or Federal Funds become available by firm commitments by either or both agencies by September 30, 1963, the full amount of this appropriation is appropriated for the following projects in the order of priorities and amounts listed:
- University of Hawaii, Hilo Campus Auditorium.. 400,000
Plans, site improvement, construction and equipment.
- Waiakea Intermediate 250,000
Kalaniana'ole School 65,000
Kaiwiki Water System..... 200,000
Plans and construction. (To be expended by the Board of Water Supply, County of Hawaii.)
- Komohana-Puainako Road 221,000
Land acquisition, plans and construction of an 80-foot right-of-way road from the intersection of Komohana and Puainako to Puuhonu and Waiuanue Streets, Hilo. (To be expended by Department of Transportation.)
- Ainaola Drive Water Transmission Line..... 85,000
Extension of Transmission Line. (To be expended by the Board of Water Supply, County of Hawaii.)
- Hilo High School Shop..... 144,000
Wainaku School Plans..... 10,000
(To be expended by County of Hawaii.)
7. *Hawaiian Homes
- a. Kawanakoa Hall 10,725 s
Repairs and renovations.
- * So in original.

8. County projects located in the County of Hawaii
(To be expended by the County of Hawaii unless otherwise specified.)

School Projects

- | | |
|---|---------|
| a. Konawaena School | 450,000 |
| Completion of third phase of secondary school to include specialty buildings. | |
| b. Waimea Elementary and Intermediate School..... | 200,000 |
| Planning and construction of new school. | |
| c. Keaau School Improvements..... | 4,000 |
| General repair and alteration. | |
| d. Honokaa Elementary School..... | 255,000 |
| Plans and construction of elementary school at Honokaa, Hawaii. | |

Flood Control

- | | |
|--|---------|
| e. Flood Control Puukapu Watershed, Waimea..... | 110,000 |
| Construction of Diversion Channel, retarding reservoir and outlet channel. | |
| f. Naalehu Flood Control..... | 55,000 |
| Construction of concrete lined channel through Naalehu Village and a debris basin. | |

Water Systems

- | | |
|--|--------|
| g. Honokaa Main Trunk Line..... | 80,000 |
| Plans and construction of water facilities and related appurtenances for the Honokaa Water System. (To be expended by the Board of Water Supply, County of Hawaii.) | |
| h. Kukuihaele Water System..... | 40,000 |
| Plans and construction of water facilities and related appurtenances for the Kukuihaele Water System. (To be expended by the Board of Water Supply, County of Hawaii.) | |

Others

- | | |
|--|--------|
| i. Kurtistown Park | 10,000 |
| Construction of restroom facilities and pavilion to facilitate tourists traveling along highway. | |

E. PROJECTS LOCATED IN THE COUNTY OF KAUAI

1. Department of Land and Natural Resources
(To be expended by the Director, Department of Land and Natural Resources.)

Land Development

- | | |
|---|----------|
| a. Salt Pond Water System Development, Hanapepe..... | 79,000 s |
| Additional funds to complete water system from Hanapepe to Salt Pond. | |
| b. Wailua Resort and Wailua Houselots..... | 48,630 s |
| To supplement funds for the completion and extension of sewer system and facilities from Wailua Resort Area along Kaunualii Highway to Haleilio Junction. | |
| c. Kapaa Swamp Area Development..... | 59,970 s |
| To supplement appropriation for development of multiple use drainage system including waste disposal. | |

State Parks

- | | |
|--|--------|
| d. Kokee Park | 70,000 |
| Develop facilities for overnight camping, picnicking, trails, restroom, parking lots and water system. The Department of Land and Natural Resources may use its present staff, and shall employ temporary personnel who shall be exempt from the provisions of Chapters 3 and 4, R.L.H. 1955, as amended, and who are unemployed, and are duly registered as unemployed with the Department of Labor and Industrial Relations, to the maximum practical extent. The Department may enter into contracts for the necessary equipment and supplies to be used in the project by negotiation. | |

e.	Wailua River Park, Kauai.....	115,000
	Develop facilities at Lydgate swimming area, Polihau rest-room and Wailua River marina area. The Department of Land and Natural Resources may use its present staff, and shall employ temporary personnel who shall be exempt from the provisions of Chapters 3 and 4, R.L.H. 1955, as amended, and who are unemployed, and are duly registered as unemployed with the Department of Labor and Industrial Relations, to the maximum practical extent. The Department may enter into contracts for the necessary equipment and supplies to be used in the project by negotiation.	
	Water Development	
f.	Kokee Water Utilization Project.....	30,000
	Funds to supplement previous appropriations to complete engineering and economic feasibility study.	
g.	Kalaheo Irrigation Project.....	50,000
	Plans for and construction of water facilities for irrigation system in Kalaheo Farm area.	
h.	Hanalei Irrigation Project.....	10,000
	Clearing and repairing irrigation water source.	
i.	Lihue Water System, Kauai.....	174,000
	To supplement Act 30/1962, Item E-1-k, including acquisition of source or development of a new source, including pumping and related facilities, distribution mains, storage facilities, acquisition of land, and engineering expenses.	
2.	Department of Transportation (To be expended by the Director, Department of Transportation.)	
	Airports	
a.	Master Plan for Lihue Airport, Kauai.....	10,000 s
b.	Sewer System, Lihue Airport, Kauai.....	55,665 s
	Construction of disposal plant, mains and facilities, including plans and acquisition of land.	
c.	General Aviation Landing Strip, Hanalei, Kauai.....	60,000 s
	To construct a general aviation strip including related facilities and land acquisition.	
	Harbors	
d.	Nawiliwili Pier 1—Additional Shed.....	42,000 s
	Supplemental Appropriation.	
e.	Nawiliwili Road Realignment.....	50,000 s
	Realign and widen road from Pier II shed to Nawiliwili Avenue (Rice Street).	
f.	Nawiliwili Harbor Drainage Improvements.....	21,500 s
	Improve storm drain system in port area.	
g.	Port Allen, Comfort Station.....	15,000 s
	Relocate toilet and shower facilities outside of pier shed.	
h.	Nawiliwili Harbor	16,375 s
	30 ft. x 50 ft. shop, tool, and storage building.	
i.	Nawiliwili Small Boat Harbor.....	2,000
	Plans. Supplemental appropriation.	
j.	Hanalei Boat Landing.....	25,000
	Construction of small boat launching ramps, pavement of parking area, landscaping, and acquisition of land.	
k.	Hanapepe Beach Erosion, Kauai.....	71,000
	Construct retaining wall and groins to prevent erosion of Hanapepe Beach. (70% Federal reimbursement under Sec. 2 PL 71-520 as amended, expected after completion of project.)	
l.	Kapaa Beach Erosion, Kauai.....	25,000
	Construct retaining wall and groins to prevent erosion of Kapaa Beach. (70% Federal reimbursement under Sec. 2 PL 71-520 as amended, expected after completion of project.)	
m.	Kikiaola Small Boat Harbor.....	10,000
	To supplement Act 30/1962 funds, Item E-2-i. Improve existing harbor, including dredging of harbor channel.	

Highways

n. Ahukini Road, Kauai.....	97,450
	65,550 s
	83,000 f
Construct two lanes of a future four-lane divided highway between Kuhio Highway and Lihue Airport following approximately the same alignment of the existing County road and installation of new pipeline for domestic water.	
o. Rehabilitation of Wailua Bridge, Kauai.....	95,529
Rehabilitation of wood piles damaged by wood borers (toredos) and providing a rock blanket on the river bottom.	
p. Kokee-Waimea Heights Road, Kauai.....	164,516
To continue the construction of road from Waimea Heights to Kokee along Canyon Ridge line to the existing Kokee road. The Department of Transportation may use its present staff, and shall employ temporary personnel who shall be exempt from the provisions of Chapters 3 and 4, R.L.H. 1955, as amended, and who are unemployed, and are duly registered as unemployed with the Department of Labor and Industrial Relations, to the maximum practical extent. The Department may enter into contracts for the necessary equipment and supplies to be used in the project by negotiation.	
q. Wailua Falls Loop Road, Kauai.....	225,000
To continue construction of road from north fork Wailua River along power line to the Princeville area. The Department of Transportation may use its present staff, and shall employ temporary personnel who shall be exempt from the provisions of Chapters 3 and 4, R.L.H. 1955, as amended, and who are unemployed, and are duly registered as unemployed with the Department of Labor and Industrial Relations, to the maximum practical extent. The Department may enter into contracts for the necessary equipment and supplies to be used in the project by negotiation.	
r. Resurfacing Portion of Kauai Belt Road.....	122,000
Wileox Hospital to Wailua Bridge Grading, patching and repaving 4.8 miles of existing roadway. Paving up to sidewalks at Hanamaulu.	
s. Widening and Resurfacing Portion of Kauai Belt Road at Kaumakani	21,000
Widening, patching and repaving 300 feet of F29(b) and 2868 feet of F29(d).	
t. Storm Drain System at Isenberg Tract along Kauai Belt Road.	47,000
Install approximately 1700 feet of storm drain system, sidewalk and curbing.	
u. Demolition of Kaupena Railroad Overpass and Waikaea Railroad Bridge, Kauai.....	19,500
Demolition of Kaupena Railroad Overpass and relocation of waterline and removal of abandoned railroad bridge and clearing and snagging of said area.	
v. Kauai Belt Road, Kalihiwai to Hanalei, Kauai.....	11,000
Plans for improvement of highway between Kalihiwai and Hanalei.	
w. Kauai Belt Road, Hanalei Section.....	11,000
Plans for two-lane highway near Hanalei including a bridge over Hanalei River.	
x. Kauai Belt Road, Hanalei to Lumahai, Kauai.....	33,000
Plans for improvement of highway between Hanalei and Lumahai.	
y. Kaumoo Road, Kauai.....	85,000
Realigning, widening and repaving of Phase I.	
z. State Street Light System, Kauai.....	25,000
Anahola, Hanamaulu, Lihue, Kalaheo, Hanapepe, Waimea, Kekaha, installation of additional street lights.	

3. Hawaiian Homes	
a. Construction of additional new homes at Anahola and Kekaha, Kauai. To include furniture and fixtures.....	58,775
	5,225 s
4. Department of Defense	
a. Kekaha National Guard Armory, Kauai. Installation of 990 lin. ft. of 6-ft. high chain link security fence around building and grounds	7,000
5. Assistance to Counties (To be expended by the County of Kauai.)	
a. Anahola Hawaiian Homes Park, Kauai.....	19,000
To supplement Act 30 of 1962 Session Laws, Item E-9.	
School Projects	
b. Master Plans for Kapaa High and Elementary, Kauai High, and Waimea High and Elementary Schools, Kauai.....	30,000
Preparation of master plans for the development and expansion of school facilities including location of buildings, swimming pools, athletic fields, drainage systems, etc.	
c. Construction of General Shop Building, including furniture, Kapaa High School.....	253,196
d. Construction of General Shop Building, including furniture, Kauai High School.....	210,100
e. Construction of 5-classroom Building, including Restroom and furniture, Waimea High and Elementary School.....	167,400
f. Waimea High and Elementary School. Acquisition of land....	10,000
g. Construction of Covered Passage between main building and four other buildings, Kalaheo School; to include paved walkways	22,000
h. Construction of Covered Passage, Koloa School; to include paved walkways	11,100
i. Construction of enclosed stadium and related facilities. Hanapepe, Kauai	60,000
Water Development and Flood Control	
j. Completion of Hanapepe Irrigation Ditch, Kauai.....	26,400
k. Kalaheo Domestic Water System.....	30,000
(To be expended by the Board of Water Supply, Kauai County.) For development and improvement of Kalaheo water system.	
l. Opaekaa Stream	30,000
Funds to be used for clearing and snagging Opaekaa Stream, Wailua.	
Roads and Public Works	
m. Wailua Golf Course, Kauai.....	38,000
Construction of storage facilities, pavement, and lighting of parking area.	
n. Wailua Golf Course, Irrigation System, Kauai.....	15,000
Rehabilitation and reconstruction of well and construction of storage facilities.	
o. Kauai War Memorial Convention Hall.....	152,000
Completion of the hall, including landscaping, parking facilities, equipment and furnishings.	
Others	
p. County of Kauai.....	12,000
(To be expended by Rehabilitation Unlimited, Kauai.) Construction of sheltered workshop including furniture, equipment, and general services for the rehabilitation of physically and mentally disabled persons on Kauai.	
q. Kapaa Fire Station.....	5,000
Supplemental funds for relocation and construction.	
r. Civil Defense—Kauai	10,000
For the purchase of new radio equipment for use of all civil defense, police, public works, and water works departments.	

6. Samuel Mahelona Memorial Hospital
(To be expended by the Director of the Hospital.)
 - a. Mental Health Treatment and Multi-Purpose Buildings..... 49,000
 - b. Renovate Dining Room Annex..... 1,500

SECTION 2. The director of the designated expending agency is authorized to delegate to the departments and counties the planning and construction of projects under section 1 when it is determined by him that it is more advantageous to do so.

SECTION 3. The appropriations and authorizations in section 1 include land purchase, plans, site preparation, improvements to land, construction, and necessary equipment.

SECTION 4. All general obligation bond funds used for any federal aid highway project, land development project or airport project shall have the bond principal and interest reimbursed from the highway special fund, the land revolving fund, or the airport special fund, respectively. All general obligation bond funds used for the development of university of Hawaii lands on Sand Island shall have the principal and interest reimbursed from the income derived from Sand Island by the university of Hawaii. Bonds issued for irrigation projects shall be reimbursed as provided by section 86-21 of the Revised Laws of Hawaii 1955, as amended.

SECTION 5. The governor, upon recommendation of the director of the department of planning and economic development and the director of budget and review, shall determine when the authorized projects shall be initiated, taking into consideration the factors of public need and general economic conditions. The governor shall have authority to defer projects for reconsideration by the ensuing legislature whenever it is determined (1) that the amount appropriated is insufficient to accomplish the purpose for which the appropriation is made, and (2) that the fiscal condition does not warrant expenditure of the appropriated funds. Such deferment shall be reported to the next legislature at least 20 days prior to its convening and shall be accompanied by the reason or reasons therefor.

SECTION 6. In case the amount specified in any item in section 1 shall not be wholly required to complete the work of such item or after it is definitely found by the expending officer that not more than a specified amount will be required to complete said work, such unrequired amounts may be expended for any other item in the same county in section 1, with the approval of the governor, upon recommendations of the director of the department of planning and economic development and the director of the department of budget and review; provided, that in the case of special funds, the funds may be only transferred to other special fund projects in accordance with the laws or covenants applicable thereto. Transfers or anticipated lapsing of funds under section 1 shall be reported to the next legislature at least 20 days prior to its convening and shall be accompanied with the reason or reasons therefor.

SECTION 7. The purchase of land and the construction of buildings by state agencies shall be subject to the approval of the governor upon recommendation of the director of planning and economic development as to what lands shall be utilized or purchased, and as to use and ex-

terior architectural design of the authorized structure, unless otherwise specified.

SECTION 8. In the event that no funds are allotted by the governor for any project in section 1 during the annual period ending June 30, 1964, appropriations for such projects shall lapse as of June 30, 1964. Authorizations to issue general obligation bonds for projects financed from general obligation bonds shall lapse as of June 30, 1964, for projects which have not received an allotment or which have an unallotted balance. The above lapsing provisions shall apply to all projects unless otherwise specified in the subsection.

SECTION 9. Where the governor or any agency of any government unit is able to secure federal funds made available under any Act of Congress, to be expended in connection with or for the planning and/or construction of any of the projects or works authorized by this Act, the governor or agency shall have the power to enter into such undertaking with the proper offices or agencies of the federal government; provided, further that for funds appropriated for county projects, such amounts of the funds as shall be necessary may, subject to the approval of the governor, be released to a county in such manner as shall allow such county to qualify for any federal matching funds available for projects authorized by this Act. Such undertakings shall be reported to the next legislature not later than 20 days prior to its convening.

SECTION 10. The governor shall accelerate the construction of projects in areas where unemployment is deemed critical. The accelerated construction projects shall be related to the types of workers that are unemployed and preference shall be given to unemployed persons, who are unemployed at the time the project is undertaken, if the capabilities of such persons meet the requirements for the project.

SECTION 11. All school buildings erected and all land purchased for school purposes under any item in this Act shall be subject to the approval of the department of education as to location of the land purchased and the size, arrangement, dimensions and lighting of rooms, and sanitary facilities for the buildings erected.

SECTION 12. If any portion of this Act or its application to any person or circumstance is held to be invalid for any reason, then the legislature hereby declares that the remainder of this Act and each and every other provision thereof shall not be affected thereby. If any portion of a specific appropriation is held to be invalid for any reason, the remaining portion shall be independent of the invalid portion and such remaining portion shall be expended to fulfill the objective of such appropriation to the extent possible unless otherwise stated in the specific appropriation.

SECTION 13. This Act shall upon its passage by two-thirds vote of all the members to which each house of the legislature is entitled, and when approved in the manner provided by the Constitution of the State, take effect on July 1, 1963.

(Approved June 5, 1963.) **H.B. 1.**

ACT 202

A Bill for an Act Making Appropriations Out of the General Revenues and Approving Expenditures From Other Sources for the Fiscal Period Ending June 30, 1964.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The following sums, or so much thereof as shall be sufficient to accomplish the purpose or programs of the agencies designated herein, are hereby appropriated out of moneys in the treasury from general revenues and the expenditures from other sources of revenues designated herein are hereby approved for the fiscal period beginning July 1, 1963 and ending June 30, 1964:

DEVELOPMENT AND NATURAL RESOURCES

AGRICULTURE, DEPARTMENT OF	(179)
General Administration	1,636,641
Net Appropriation	177,232(21)
Planning and Research	
Net Appropriation	27,157(1)
Marketing and Economics	
Administration	17,793(2)
Commodities	225,450(24.62)
Crop and Livestock Reporting Service.....	88,337(9)
Market News Service.....	28,806(3)
Net Appropriation	360,386(38.62)
Animal Industry	
Administration	41,036(5)
Livestock Disease Control.....	126,145(7)
Veterinary Laboratory	78,937(9)
Inspection and Quarantine.....	202,456(24)
Meat Inspection	194,330(22)
Meat Grading Service.....	16,000
Naalehu Disease Control.....	16,332(1)
Total Requirements	675,236(68)
Less Estimated:	
Federal Funds	16,332(1)
Special Funds	7,000
Net Appropriation	651,904(67)
Farm Loan	
Total Requirements	714,248(5)
Less Estimated:	
Farm Loan Reserve Fund.....	52,391(5)
Farm Loan Revolving Fund.....	661,857
Net Appropriation
Plant Industry	
Administration	34,082(4)
Plant Quarantine and Inspection.....	209,092(28.75)
Pest Control	121,913(14)
Seed, Weed and Herbicide.....	52,275(4.63)
Hawaii Soil Conservation.....	2,600
Net Appropriation	419,962(51.38)

Provided, that in the livestock disease control program, the sum of \$15,775 shall be used for fee for services for the swine disease control program.

Provided further, that the sum of \$12,500 appropriated for additional temporary animal caretaker positions for the animal quarantine and inspection program shall be allotted only on the condition that quarantine fees for cats and dogs are raised thirty cents (30¢) per animal day.

Provided further, that the sum of \$30,000 for the Kona coffee grading and inspection program is appropriated with the understanding that there will be no future

appropriation for this program; that the coffee industry seriously consider putting this program on a self-sustaining basis if the continuation of the coffee **grading** and service by the State is desired.

		(264)
LAND AND NATURAL RESOURCES, DEPARTMENT OF		2,290,735
Departmental Administration		
Net Appropriation	194,716(22)	
Conveyances		
Net Appropriation	252,692(38)	
Fish and Game		
Administration	49,933(7)	
Fisheries, Research and Management	142,769(16)	
Enforcement	140,572(18)	
Wildlife, Research and Management	153,753(19)	
Total Requirements	487,027(60)	
Less Estimated:		
Appropriated Receipts	62,465	
Federal Funds	130,000	
Net Appropriation	294,562(60)	
Forestry		
Administration	64,001(3)	
Research	102,462(2)	
Forestry Management	520,534(61.5)	
Total Requirements	686,997(66.5)	
Less Estimated:		
Federal Funds	49,500	
Net Appropriation	637,497(66.5)	
Land Management		
Net Appropriation	225,366(24.5)	
State Parks		
Net Appropriation	216,907(36)	
Water and Land Development		
Administration		
Net Appropriation	51,549(6)	
Flood Control		
Net Appropriation	28,215(3)	
Water Resource Survey		
Total Requirements	522,934(5)	
Less Estimated:		
Federal Fund-Hydrography	208,802	
Special Fund-Hydrography	6,900	
Net Appropriation	307,232(5)	
Project Development		
Net Appropriation	31,554(3)	
Supplementation to Irrigation Revolving Fund		
Waimanalo Irrigation System	68,054(9)	
Waimea Irrigation System	26,391(4)	
Total Requirements	94,445(13)	
Less Estimated:		
Special Funds	44,000(13)	
Net Appropriation	50,445	

Provided, that the sum of \$15,000 appropriated for the forest marketing survey shall be made available only on the condition that the study is undertaken under a Federal-State cooperative arrangement.

Provided further, that in the forestry management program, the sum of \$123,000 shall be used for temporary help, student help or contract services to plant 1,400 acres of trees on all islands as provided for in the 1960-1961 allocation.

Provided further, that the appropriation supplementing the irrigation system revolving fund shall be reduced to the extent that the actual receipts of this special fund shall exceed the estimated sum of \$44,000 for the fiscal year 1963-1964.

PLANNING AND ECONOMIC DEVELOPMENT, DEPARTMENT OF		(29)
Planning and Economic Development Services		1,649,889
Net Appropriation	308,685	(29)
Land Use Commission		
Net Appropriation	43,704	
Tourism Promotion		
Net Appropriation	1,230,000	
Product Promotion		
Net Appropriation	30,000	
Neighbor Island Economic Development		
Net Appropriation	37,500	

Provided, that in the tourism promotion program, the department with the aid of the county advisory committees, shall contract for tourism promotion with the Hawaii Visitors Bureau on a matching ratio of two of state funds to one of Hawaii Visitors Bureau privately donated contribution received during the calendar year 1962; provided further, that the state funds shall not be expended for the cost of administration of the Hawaii Visitors Bureau; provided further, that tourism promotion in the Far East shall receive greater emphasis; and provided further, that the department may use the balance of the appropriation for tourism promotion either by contracting further with the Hawaii Visitors Bureau or by contracting directly with other persons, firms, agencies, or organizations.

Provided further, that in the neighbor island economic development program, the sum of \$12,500 shall, with the approval of the director of planning and economic development, be made available to the economic development committees of each of the neighbor island counties.

TRANSPORTATION, DEPARTMENT OF		(9)
Departmental Administration		186,885
Total Requirements	1,003,001	(77)
Less Estimated:		
Special Fund	1,003,001	(77)
Net Appropriation		
Airport		
Administration	1,674,464	(11)
Operations and Maintenance	1,995,652	(186)
Total Requirements	3,670,116	(197)
Less Estimated:		
Special Funds	3,670,116	(197)
Net Appropriation		
Harbors		
Administration	942,685	(7)
Operations and Maintenance	1,034,050	(112)
Small Boat Harbor	155,145	(6)
Drawbridge Operation	31,740	(3)
Total Requirements	2,163,620	(128)
Less Estimated:		
Special Funds	1,976,735	(119)
Net Appropriation	186,885	(9)
Highways		
Administration	4,351,058	(3)
Operations and Maintenance	3,331,289	(327)
Total Requirements	7,682,347	(330)
Less Estimated:		
Special Funds	7,682,347	(330)
Net Appropriation		

Provided, that in the departmental administration, visitor information program, the sum of \$125,000 from the airports special fund and the sum of \$50,000 from the harbors special fund shall be used by the director of transportation for visitor information function at the airport and harbor terminals, respectively to accommodate all arriving and departing passengers, with special emphasis on foreign arrivals and departures and the linguistics problems attendant thereto.

EDUCATION(7021.14)
44,006,911**EDUCATION, DEPARTMENT OF****Administration**

State	850,650(89)
District	165,299(22)
Total Requirements	1,015,949(111)
Less Estimated:	
Special Funds	35,696(5)
Federal Fund	
Public Law 864.....	50,000
Net Appropriation	930,253(106)

Supervision of Curriculum, Instruction and Guidance

General Direction	27,435(2)
General School Subjects.....	442,582(44)
Vocational, Post-High School and Adult Education..	275,774(27)
Guidance, Health and Special Education.....	309,324(29)
Instructional Aids	124,702(15)
High School Accreditation and Private School	
Licensing	18,367(2)
Total Requirements	1,198,184(119)
Less Estimated:	
Federal Funds:	
Vocational and Education Fund.....	26,167(3)
Public Law 864.....	20,000
Other Federal	19,578(2)
Civil Defense	25,000(2)
Net Appropriation	1,107,439(112)

Instruction and School Services

Kindergarten	2,757,004(452)
Elementary	20,269,494(3077.5)
Secondary	17,551,257(2515)
Lahainaluna Boarding Department and School Farm	109,665(5)
Diamond Head School.....	271,932(40)
Institutional Schools	235,689(31)
Hospital Schools	75,145(6)
Post-High Schools	1,152,366(124)
Adult Education	305,257(14)
Total Requirements	42,727,809(6264.5)
Less Estimated:	
Special Funds	137,662(2)
Federal Fund	
Vocational Education Fund.....	156,494(10)
Public Law 864.....	176,305
Public Law 874.....	4,800,000
Veterans Administration	8,355(1)
Civil Defense	14,000
Net Appropriation	37,434,993(6251.5)

Other Programs

School Lunch Service.....	9,066,914(736)
Teacher Training	288,444(43)
Total Requirements	9,355,358(779)
Less Estimated:	
Special Funds	6,218,763(529)
Federal Funds:	
National School Lunch Subsidy.....	470,000
Special Milk Program.....	142,089
Net Appropriation	2,524,506(250)

Public Library Service

Administration	18,202(2)
Central Processing	169,340(32.5)
Library of Hawaii.....	1,050,463(156.5)
Hawaii County Library.....	207,982(29.65)

Maui County Library.....	203,078(29.6)
Kauai County Library.....	148,622(23.94)
Total Requirements	1,797,687(274.19)
Less Estimated:	
Federal Funds	54,606(8.25)
Net Appropriation	1,743,081(265.94)
Vocational Rehabilitation Service	
Administration	41,443(6.1)
Vocational Rehabilitation	256,540(15)
Disability Determinations	67,843(6.7)
Independent Living	207,215(3.6)
Work Training for Mentally Retarded.....	157,495(12)
Total Requirements	730,536(43.4)
Less Estimated:	
Federal Funds	463,897(7.7)
Net Appropriation	266,639(35.7)

Provided, that in the kindergarten program the total number of regular classroom teachers authorized for the fiscal year 1963-1964 shall be the quotient of the actual public school enrollment in kindergarten classes throughout the State divided by 28.1.

Provided further, that in the kindergarten program, the appropriation for classroom equipment, supplies and books is based on 470 classes and that the appropriation for these items shall be increased by \$257 for each kindergarten class in excess of 470 established in 1963-1964.

Provided further, that in the elementary and secondary programs the total number of on-ratio regular classroom teachers authorized for the fiscal year 1963-1964 shall be the quotient of the actual public school enrollment in the elementary and secondary grades throughout the State divided by 31.8.

Provided further, that in the elementary and secondary programs the number of teaching principals, principals, and vice-principals authorized for the fiscal year 1963-1964 shall be determined by the number of public schools operative during the fiscal year and the provisions of Act 28, SLH 1962 and that the appropriation for these positions shall be adjusted accordingly.

Provided further, that in the instruction and school services program the appropriation is based on an estimated average 12-months teacher salary of \$6,039 and an estimated average 10-months teacher salary of \$4,490 and that the appropriation shall be adjusted to the extent that these estimated average salaries should exceed or fall short of the estimates.

Provided further, that in the elementary program, the appropriation for classroom equipment, supplies, and books is based on 2,488 classes and that the appropriation for these items shall be increased by \$1,172 for each elementary class in excess of 2,488 actually established in 1963-1964.

Provided further, that in the secondary program, the appropriation for classroom equipment, supplies, and books is based on an estimated enrollment of 32,798 in grades 7-9 and 30,802 in grades 10-12 and that the appropriation for these items shall be increased by \$50 for each secondary student in grades 7-9 actually enrolled in 1963-1964 in excess of the estimate and \$65 for each secondary student in grades 10-12 actually enrolled in 1963-1964 in excess of the estimate.

Provided further, that in the institutional school program the number of teachers authorized for the Olomana School shall be the quotient of actual school enrollment divided by 15; that the appropriation shall be adjusted accordingly; and that one teacher may be added whenever the teacher-pupil ratio of 1 to 15 is exceeded by 10 pupils.

Provided further, that sufficient funds for supplies and equipment shall be transferred to the centralized processing unit of the public library services program from the Library of Hawaii, the school libraries, and any other library program which receives central processing services and that the funds to be transferred shall be in proportion to the amount of services received.

Provided further, that the positions assigned to centralized processing from both the Library of Hawaii and the Department of Education shall be accountable to and shall serve under the direction of centralized processing.

Provided further, that the administrative assistant to the superintendent of public instruction shall not be subject to the provisions of chapters 3 or 4, Revised Laws

of Hawaii 1955 and further, that said administrative assistant shall serve at the pleasure of the superintendent.

Provided further, that \$10,000 of the \$30,867, for books, appropriated to the Library of Hawaii, shall be for the Kahuku Branch.

Provided further, that the appropriation for Pahala Library shall be used for the purpose of keeping the library open twice as long as it is at present.

Provided further, that if a sum less than \$4,800,000 is provided by Congress under the provisions of Public Law 874, or any other public law which amends or supersedes Public Law 874, then the difference between \$4,800,000 and the sum so provided is hereby appropriated; and provided further, that if a sum greater than \$4,800,000 is provided, then this appropriation shall be reduced to the extent the estimated sum of \$4,800,000 is exceeded for the fiscal year 1963-1964.

Provided further, that if a sum less than \$246,305 is provided by Congress under the provisions of Public Law 864, or any other public law which amends or supersedes Public Law 864, then the difference between \$246,305 and the sum so provided is hereby appropriated; and provided further, that if a sum greater than \$246,305 is provided, then this appropriation shall be reduced to the extent the estimated sum of \$246,305 is exceeded for the fiscal year 1963-1964.

Provided further, that the appropriation for the manpower development and training program shall be limited to the amount of federal grants actually received for the fiscal year 1963-1964.

Provided further, that the sum provided for the language arts program shall be used to establish a concentrated program designed to develop the ability of comprehension and expression of thoughts and ideas. Unlike the remedial reading program, the language arts program shall be for the normal and main body of students of the school system.

Provided further, that a committee for the audio visual program shall be appointed by the superintendent for the purpose of selecting educational films and related materials which shall carry out the academic and educational objectives of the department.

		(1514.998)
UNIVERSITY OF HAWAII		13,819,679
Administration		
Total Requirements	1,061,601	(92.12)
Less Estimated:		
Federal Funds	13,248	(3)
East-West Direct Support	18,299	(2)
Sand Island Income	90,000	
Morrill Act Income	69,354	(2)
Net Appropriation	870,700	(85.12)
Student Services		
Student Personnel	419,895	(52)
Health Services	82,193	(9)
Intercollegiate Athletics	8,602	(1)
Total Requirements	510,690	(62)
Less Estimated:		
East-West Direct Support	56,075	(8)
Net Appropriation	454,615	(54)
Instruction		
Total Requirements	7,523,887	(798.563)
Less Estimated:		
Special Funds	68,328	(1)
Federal Funds	277,392	(10)
East-West Direct Support	221,195	(22.25)
Morrill Act Income	74,460	(3)
Sand Island Income	256,104	(8.5)
Net Appropriation	6,626,408	(753.813)
Summer Session		
Total Requirements	482,290	(4.25)
Less Estimated:		
Special Funds	482,290	(4.25)
Net Appropriation		
Communication Center		
Net Appropriation	40,052	(4.25)

Hilo Campus	
Net Appropriation	354,260(39)
General Studies	
Total Requirements	519,512(18.5)
Less Estimated:	
Special Funds	417,540(9)
Net Appropriation	101,972(9.5)
Organized Research	
Computing and Statistical Center.....	154,941(9)
Economic Research Center.....	87,470(7)
Faculty Research Committee.....	20,000(.5)
Hawaii Institute of Geophysics.....	263,661(21.5)
Hawaii Marine Laboratory.....	49,392(3.5)
Hawaii Institute of Health Research.....	92,039(6.66)
Land Study Bureau.....	136,512(12)
Social Science Research Institute.....	28,046(3.5)
Special Research Contracts.....	300,000
Total Requirements	1,132,061(63.66)
Less Estimated:	
Special Funds	50,000
Federal Funds	250,000
Morrill Act Income.....	117,219(6)
Sand Island Income.....	65,053(10)
Net Appropriation	649,789(47.66)
Library	
Total Requirements	805,749(86.25)
Less Estimated:	
East-West Direct Support.....	152,839(23)
Sand Island Income.....	23,723
Net Appropriation	624,187(63.25)
Aquarium	
Net Appropriation	92,188(11.75)
Legislative Reference Bureau	
Net Appropriation	165,123(14.5)
Operations and Maintenance of Physical Plant	
Administration	41,662(6)
Building Maintenance and Shop.....	567,403(12)
Campus Security	36,795(7)
General Maintenance and Trucking.....	108,774(15)
Grounds Maintenance	139,404(26)
Service, Receiving and Warehousing.....	20,414(4)
Custodial	453,497(111)
Total Requirements	1,367,949(181)
Less Estimated:	
Special Funds	11,384(2)
Net Appropriation	1,356,565(179)
Hawaii Agricultural Experiment Station	
Experiment Station	2,055,386(212.61)
Harold Lyon Arboretum.....	1,357(.125)
Demonstration Farms	55,136
Total Requirements	2,111,879(212.735)
Less Estimated:	
Federal Funds	333,549(29.44)
Net Appropriation	1,778,330(183.295)
Cooperative Extension Service	
Total Requirements	991,149(106)
Less Estimated:	
Federal Funds	285,659(36.14)
Net Appropriation	705,490(69.86)
Pakistan and Thailand Contracts	
Total Requirements	828,070(12)
Less Estimated:	
Federal Funds	828,070(12)
Net Appropriation

Provided, that a minimum of \$25,000 be realized in savings from appropriation made to the University for salaries for the upper level administrative personnel.

Provided further, that the amount of the appropriation necessary to match allotments made by the United States government for agricultural extension service and agricultural experiment station operations shall be payable to the University of Hawaii in toto, by single warrant, or by several warrants, representing periodic allotments, but only if this is a necessary condition for receiving such federal allotments. Such disbursements matching the allotments may be regularly audited by the federal auditor and shall be subject to the same limitations as the character of expenditures of the federal funds which they offset.

Any other law to the contrary notwithstanding, no portion of the funds appropriated by this Act for the University of Hawaii, or collected or received by the University from its students or from the United States, or if any other funds under the control of its Board of Regents, shall be expendable for the reimbursement to the State for the amount payable by the State to cover the liability of the State to the various funds of the Employees' Retirement System on account of the employees of the University, nor shall any law providing for such reimbursement be deemed applicable to the University, except that this exemption shall not apply to auxiliary enterprise funds and other funds which have not been considered in deriving the net appropriation of the University.

Provided further, that \$56,000 for livestock for the Hawaii Agricultural Experiment Station shall be used for the genetics study at either the Hamakua or Waimea Experimental Farm.

Provided further, that within the established position ceiling, the Cooperative Extension Service shall be authorized to reclassify its personnel with a view to being of greater service to the 1400 or more independent sugar cane growers.

Provided further, that the Health services director shall be a physician licensed to practice in Hawaii.

Provided further, that the president may appoint an assistant who shall serve at the pleasure of the president.

HEALTH, PROTECTIVE AND SOCIAL SERVICES

DEFENSE, DEPARTMENT OF

(115)
898,967

Civil Defense

Total Requirements 248,786(16)

Less Estimated:

Appropriated Receipts 120,111

Net Appropriation 128,675(16)

Command and Administration

Net Appropriation 331,394(37)

Maintenance and Operations

Total Requirements 472,898(62)

Less Estimated:

Appropriated Receipts 34,000

Net Appropriation 438,898(62)

Provided, that if the Hawaii National Guard and the Hawaii Air National Guard shall be called or ordered into the service of the United States, the foregoing appropriations or any part thereof remaining unexpended shall be available to the Hawaii State Guard. If only a part of the Hawaii National Guard or the Hawaii Air National Guard should be called or ordered into the service of the United States, the Adjutant General with the approval of the Director of Budget and Review shall allocate the foregoing appropriations or any part thereof remaining unexpended between the Hawaii State Guard and the Hawaii National Guard.

(1413.6)
9,540,068

HEALTH, DEPARTMENT OF

General Administration

Departmental Administration 355,792(41)

Health Education 67,498(9)

Research, Planning and Statistics 140,884(19)

Total Requirements 564,174(69)

Less Estimated:

Appropriated Receipts 51,711(8)

Net Appropriation 512,463(61)

Communicable Disease	
Administration	51,348(5)
Epidemiology	47,602(4)
Hansen's Disease:	
Outpatient and Special Services	58,945(7)
Hale Mohalu Hospital	398,435(45)
Kalaupapa Settlement	826,926(62)
Tuberculosis Control	187,787(22)
Total Requirements	1,571,043(145)
Less Estimated:	
Appropriated Receipts	1,210,141(2)
Special Funds	500
Net Appropriation	360,402(143)

Provided, that if a sum less than \$1,200,000 is provided by Congress for the Hansen's disease program, then the difference between \$1,200,000 and the sum so provided is hereby appropriated; and provided further, that if a sum greater than \$1,200,000 is so provided, then the amount of the net general appropriation shall be reduced to the extent that the actual realization shall exceed the estimated sum of \$1,200,000 for the fiscal year 1963-1964.

Provided further, that the appropriation made for poliomyelitis immunization in the epidemiology program shall first be used for the new born and then for the indigent and medically indigent.

Dental Health	
Total Requirements	303,663(47.6)
Less Estimated:	
Appropriated Receipts	800
Net Appropriation	302,863(47.6)

District Health Offices	
Total Requirements	202,888(35.5)
Less Estimated:	
Appropriated Receipts	39,757(8)
Net Appropriation	163,131(27.5)

Environmental Health	
Administration	89,636(7)
Food and Drug	59,989(8)
Health Engineering	156,778(17)
Sanitation	393,424(55)
Vector Control-Mosquito and Rodent	471,759(71)
Total Requirements	1,171,586(158)
Less Estimated:	
Appropriated Receipts	60,643(4)
Special Funds	13,311(1)
Net Appropriation	1,097,632(153)

Medical Health Services	
Administration	23,790(2)
Adult Health	98,749(10)
Alcoholism Services	50,384(4)
Crippled Children Services	352,213(27)
Hospital and Medical Facilities	87,681(10)
Maternal and Child Health	102,304(7)
Total Requirements	715,121(60)
Less Estimated:	
Appropriated Receipts	327,607(27.5)
Net Appropriation	387,514(32.5)

Mental Health	
Administration	80,397(7)
Preventive and Outpatient Services	434,050(41)
Convalescent Services	97,247(11)

Hawaii State Hospital	
Administration	124,956(20)
Care, Treatment and Training	1,714,054(292)
Maintenance and Operations	288,854(32)

Production	79,204(9)	
Support and Subsistence.....	769,474(68)	
Total Requirements	3,588,236(480)	
Less Estimated:		
Appropriated Receipts	50,957(5)	
Net Appropriation	3,537,279(475)	
Provided, that the appropriations for the Hawaii State Hospital are intended for an average daily inpatient population of 1,140 at said State Hospital.		
Mental Retardation		
Administration	74,496(10)	
Community Services	132,410(17)	
Waimano Training School and Hospital:		
Medical and Hospital Services.....	591,534(109)	
Social Services and Parole.....	73,210(11)	
Training	83,255(13)	
Institution Facilities Administration.....	34,007(2)	
Cottage Life	595,917(126)	
Food Service	286,961(23)	
Maintenance and Production.....	406,500(34)	
Sewing Services	33,151(2)	
Total Requirements	2,311,441(347)	
Less Estimated:		
Appropriated Receipts	41,661(4.5)	
Net Appropriation	2,269,780(342.5)	
Provided, that this appropriation is intended for an average daily ward population of 860 at Waimano Training School and Hospital.		
Special Health Services		
Administration	22,810(2)	
Laboratory Services	254,502(31.5)	
Nutrition	37,797(5)	
Public Health Nursing.....	657,079(103)	
Total Requirements	972,188(141.5)	
Less Estimated:		
Appropriated Receipts	63,184(10)	
Net Appropriation	909,004(131.5)	
Research Projects		
Total Requirements	137,459(19)	
Less Estimated:		
Appropriated Receipts	125,459(17)	
Special Funds	12,000(2)	
Net Appropriation	(286.5)
JUDICIAL BRANCH		2,655,581
Supreme Court		
Supreme Court Proper.....	223,242(19)	
Administrative Director	40,477(3)	
Supreme Court Library.....	40,606(4)	
Publication of Hawaii Reports.....	14,300	
Bar Examination	1,400	
District Court of Kalawao.....	2,750(1)	
Revisor of Statutes.....	89,312(4)	
Total Requirements	412,087(31)	
Less Estimated:		
Special Funds	1,400	
Net Appropriation	410,687(31)	
Provided, that the sum of \$14,700 is provided for the salary of the administrative director if the statute setting the maximum limits of his salary is amended or repealed.		
Provided further, that the private secretary to the chief justice shall be, for civil service purposes, treated and classified in the same manner as the private secretary to the head of an executive department.		
Land Court		
Net Appropriation	31,018(3)	

First Circuit Court

First Circuit Court Proper.....	642,813(72)
Jury Trial Expenses.....	99,669
Adult Probation	112,415(16)
Juvenile Court	467,121(60)
Jury Trial Expenses.....	2,900
Juvenile Detention Home.....	192,513(31)
Net Appropriation	1,517,431(179)

Provided, that the appropriation for the Juvenile Detention Home is intended for an average daily ward population of 40 children.

Second Circuit Court

Second Circuit Court Proper.....	106,211(11)
Jury Trial Expenses.....	6,400
Juvenile and Probation Operations.....	127,223(17.5)
Net Appropriation	239,834(28.5)

Third Circuit Court

Third Circuit Court Proper.....	158,132(16)
Jury Trial Expenses.....	32,876
Probation Operations	123,039(15)
Net Appropriation	314,047(31)

Fifth Circuit Court

Fifth Circuit Court Proper.....	87,830(9)
Jury Trial Expenses.....	6,550
Probation Operations	48,184(5)
Net Appropriation	142,564(14)

Provided, that jury trial expenses shall not be used for any other purpose.

(70.3)

LABOR AND INDUSTRIAL RELATIONS, DEPARTMENT OF

570,596

Administration

Net Appropriation	175,852(20.3)
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Apprenticeship

Net Appropriation	38,640(5)
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Labor Law Enforcement

Net Appropriation	134,057(18)
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Workmen's Compensation

Total Requirements	108,223(12)
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Less Estimated:

Special Funds	14,200
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Net Appropriation	94,023(12)
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Industrial Safety

Total Requirements	120,184(15)
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Less Estimated:

Special Funds	2,500
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Net Appropriation	117,684(15)
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Hawaii Employment Relations Board

Net Appropriation	10,340
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(591.85)

SOCIAL SERVICES, DEPARTMENT OF

9,606,296

Departmental Administration

Total Requirements	337,629(46)
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Less Estimated:

Federal Funds	97,173
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Net Appropriation	240,456(46)
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Social Welfare Services

Program Management	115,763(10.5)
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Oahu Division	1,198,559(167.5)
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Hawaii District	235,972(38.3)
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Maui District	149,143(23)
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Kauai District	111,360(17.3)
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Total Requirements	1,810,797(256.6)
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Less Estimated:

Appropriated Receipts	594,982(11.75)
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Special Funds	91,500
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Net Appropriation	1,124,315(244.85)
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Provided, that the sum of \$9,950 shall be available for scholarships on a statewide basis to any qualified applicant.

Economic Assistance

Payments to Indigents and Medically Indigent

Old Age Assistance.....	905,234
Aid to the Blind.....	99,736
Aid to the Disabled.....	1,231,385
Aid to Dependent Children and Unemployed Parent	5,504,067
Child Welfare Foster Care.....	578,149
General Assistance	1,059,417
Medical Assistance for the Aged.....	1,152,337
Medical Assistance for others.....	238,159
Government Physicians	196,200
Total Requirements	10,964,684
Less Estimated:	
Federal Funds	5,275,748
Net Appropriation	5,688,936

Payments for Vocational Rehabilitation of the

Visually Handicapped

Total Requirements	55,074
Less Estimated:	
Federal Funds	28,715
Special Funds	8,000
Net Appropriation	18,359

Payments for Paraplegic Veterans

Net Appropriation	22,850
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Provided, that in the event that the U.S. Congress does not extend federal support for Title XVI, combined aged, blind and disabled program during fiscal year 1963-1964, then the general appropriation applicable to this combined program shall be increased by \$185,000.

Provided further, that the appropriations for payments for indigents and medical indigents are intended for average monthly caseloads of: Old Age Assistance—1,119 cases, Aid to Dependent Children and Unemployed Parent—3,069 cases, Child Welfare Foster Care—568 cases, Aid to the Blind—90 cases, Aid to the Disabled—961 cases, General Assistance—1,034 cases and medical Assistance to Aged—469 cases.

Provided further, that in the event the appropriation for medical payments for indigents and medical indigents is deficient, which deficiency is directly attributable to increased costs and expenses, the department is authorized, upon approval of the Governor, to submit a deficiency appropriation request to the extent and on such basis as may be prescribed by the director of the Department of Budget and Review.

Corrections Division

Administration

Net Appropriation	47,968(6)
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Detention and Rehabilitation of Juvenile Offenders

Administration	39,535(5)
Support and Subsistence.....	81,554(5)
Care, Treatment and Training.....	403,088(73)
Maintenance and Operations.....	122,435(10)
Juvenile Parole	57,767(7)
Net Appropriation	704,379(100)

Provided, that this appropriation is intended for an average daily ward population of 208 children.

Custody and Rehabilitation of Felons

State Prison

Administration	39,190(5)
Support and Subsistence.....	278,787(5)
Care, Treatment and Training.....	601,126(99)
Maintenance and Operations.....	123,300(9)
Production	91,636(5)
Total Requirements	1,134,039(123)

Less Estimated:	
Special Funds	37,952
Net Appropriation	1,096,087(123)

Provided that this appropriation is intended for an average daily inmate population of 470 felons.

Kulani Honor Camp	
Administration	22,762(3)
Support and Subsistence.....	54,635(1)
Care, Treatment and Training.....	141,941(22)
Maintenance and Operations.....	123,374(8)
Production	37,296(4)
Net Appropriation	380,008(38)

Provided, that this appropriation is intended for an average daily inmate population of 90 felons.

Olinda Project	
Administration	15,693(2)
Support and Subsistence.....	27,740(1)
Care, Treatment and Training.....	60,735(11)
Maintenance and Operations.....	24,258(1)
Production	21,753(3)
Gorse Control	12,000
Net Appropriation	162,179(18)

Provided, that this appropriation is intended for an average daily inmate population of 40 felons.

Parole and Pardon of Felons	
Net Appropriation	120,759(16)
Public Housing	
Total Requirements	3,016,941(195)
Less Estimated:	
Special Funds	3,016,941(195)
Net Appropriation

FINANCE, COMMERCE AND STAFF DEPARTMENTS

ACCOUNTING AND GENERAL SERVICES, DEPARTMENT OF	(275)
Departmental Administration	2,754,280
Net Appropriation	103,641(11)
Insurance Management Program	
Administration	2,500
Commercial Insurance Purchase of	
Auto Fleet Coverage.....	45,700
Comprehensive Crime Coverage.....	40,000
State Insurance Fund	
Workmen's Compensation	220,000
Fire and Other Casualties.....	145,000
Total Requirements	453,200
Less Estimated:	
Special and Federal Funds.....	17,200
Net Appropriation	436,000
Internal Post-Audit	
Net Appropriation	130,734(12)
Division of Accounting and Data Processing	
Accounting	51,658(6)
Pre-Audit	85,178(10)
Data Processing	208,311(14)
Net Appropriation	345,147(30)
Public Archives Division	
Records Service	71,587(12.75)
Records Management	43,428(7.25)
Total Requirements	115,015(20)
Less Estimated:	
Special Funds	500
Net Appropriation	114,515(20)

Division of Central Services	
Central Messenger Service.....	17,718(5)
Maintenance and Operation of Buildings.....	1,002,707(132)
Repairs and Alterations of Buildings.....	260,060(18)
Total Requirements	1,280,485(155)
Less Estimated:	
Special Funds	70,333
Net Appropriation	1,210,152(155)
Land Surveying	
Net Appropriation	240,161(27)
Division of Public Works	
Public Works Administration	
Net Appropriation	102,309(13)
Division of Purchasing and Supply	
Central Purchasing and Supply.....	45,479(6)
Inventory Management	7,042(1)
Federal Surplus Property.....	81,678(10)
State Surplus Property.....	17,000
Total Requirements	151,199(17)
Less Estimated:	
Surplus Property Revolving Fund.....	81,678(10)
Receipts from Sale of Equipment.....	17,000
Net Appropriation	52,521(7)
Kamehameha Day Celebration Commission	
Celebration Expenses	
City and County of Honolulu.....	9,600
Hawaii County	4,700
Kauai County	2,100
Maui County, Including Kalaupapa.....	2,700
Net Appropriation	19,100

Provided, that for the architectural and engineering services in the public works program, the position ceiling shall be 72.

ATTORNEY GENERAL, DEPARTMENT OF THE		(39)
Attorney General's Office Proper.....	488,734(47)	518,425
Litigations	120,000	
Total Requirements	608,734(47)	
Less: Special Funds.....	142,118(15)	
Net Appropriation	466,616(32)	
Bureau of Crime Statistics		
Net Appropriation	5,997(1)	
Bureau of Civil Identification		
Net Appropriation	31,137(4)	
Commission on Subversive Activities		
Net Appropriation	14,675(2)	

Provided, that within the sums provided to the department of the Attorney General for litigations, there is also provided a sum, deemed necessary by the Attorney General, for the prosecution of antitrust actions, federal land return actions, maritime rate hearings and other items that are deemed by him to require immediate action.

BUDGET AND REVIEW, DEPARTMENT OF		(72)
Departmental Administration		24,113,051
Net Appropriation	77,800(9)	
Budget Division		
Budget	193,832(20)	
Bonus to Pensioners.....	2,349,300	
Surplus Positions	372,466	
Net Appropriation	2,915,598(20)	
Management Division		
Management Services	52,306(5)	
Children and Youth.....	13,927(1)	
Net Appropriation	66,233(6)	

Finance Division

Cash and Debt Management.....	51,652(6)
Public Debt Service.....	34,836
Bonded Debt	11,433,011
Veterans' Loans	1,703,942(1)
Total Requirements	13,223,441(7)
Less Estimated:	
Special Funds	1,703,942(1)
Net Appropriation	11,519,499(6)
Employees' Retirement System	
Administration	214,298(26)
Contributions	7,386,766
Pensions	46,946
Total Requirements	7,648,010(26)
Less Estimated:	
County Pro-rata Share.....	67,287
Net Appropriation	7,580,723(26)
Employees' Group Medical and Hospital Care	
Net Appropriation	1,953,198(5)

Provided, that the appropriation for contribution to the Employees' Group Medical and Hospital Care program is intended for 8,326 single employee beneficiaries and 13,364 employee beneficiaries with dependent beneficiaries.

Provided further, that the appropriation for any surplus position, including the appropriation for a position surplusd herein, shall lapse thirty days after one offer of a position to the incumbent in any agency or department of the state government if the incumbent shall be certified for such position and if such position shall be in the island of residence of such incumbent.

(20)
448,952

EXECUTIVE

Governor's Office	
Net Appropriation	228,683(14)
Washington Place	
Net Appropriation	70,269(6)
Governor's Contingent Fund	
Net Appropriation	150,000

Provided, that the appropriation for the Governor's Office and Washington Place shall be expended, within each, at the discretion of the Governor.

Provided further, that in the Governor's Office, the sum of \$2,215 shall be used by the director of the International Cooperation Center for visiting state guests for which federal funds are not expendable.

Provided further, that expenditures from the Governor's contingency fund may be made with the approval of the Governor for urgent needs for which no specific appropriation is made herein; a detailed accounting of all expenditures shall be submitted to the legislature on the first day of the next regular session of the legislature; and provided further, that this fund shall not be used to pay any salaries in the Governor's Office and Washington Place.

Provided further, that the Governor may create a statewide data processing unit, assigned to his office for administrative purposes or within any department or agency of the state. He may transfer funds and personnel from existing agencies and departments of the state government to such data processing unit and reorganize the data processing system of the state to establish an integrated system.

(9)
123,104

LIEUTENANT GOVERNOR, OFFICE OF THE

Lieutenant Governor's Office	
Net Appropriation	109,472(9)

This appropriation shall be expended at the discretion of the Lieutenant Governor.

Elections Administration	
Net Appropriation	13,632

(40)
383,788

PERSONNEL SERVICES, DEPARTMENT OF

Personnel Services	
Net Appropriation	371,288(40)

ACT 202

Appeal Board		
Net Appropriation	12,500	
		(331)
TAXATION, DEPARTMENT OF		2,344,196
Administration		
Net Appropriation	284,350(31)	
Real Property Assessment		
Net Appropriation	456,982(61)	
Tax Maps		
Net Appropriation	130,237(21)	
Excise, Income and Miscellaneous Taxes		
Net Appropriation	607,485(93)	
Field Tax Audits		
Net Appropriation	320,377(41)	
Collection of Taxes		
Net Appropriation	407,457(65)	
Enforcement of Delinquent Taxes		
Net Appropriation	127,551(19)	
Tax Appeals		
Board of Review.....	5,007	
Tax appeal Court.....	4,750	
Net Appropriation	9,757	

		(99.25)
TREASURY AND REGULATIONS, DEPARTMENT OF		908,417
Administration		
Net Appropriation	93,562(11.25)	
Business Registration		
Net Appropriation	35,054(5)	
Bank Examination		
Net Appropriation	122,965(14)	
Insurance Division		
Net Appropriation	93,333(11)	
Fire Marshal		
Net Appropriation	32,277(3)	
Public Utilities Commission		
Net Appropriation	227,566(22)	
Regulatory Boards and Commissions		
Net Appropriation	34,717	
Professional and Vocational Licensing		
Net Appropriation	268,943(33)	

Provided, that no part of the sum of \$8,115 appropriated for mainland travel for the members of regulatory boards or commissions shall be allotted unless the fees collected by such regulatory body are sufficient to cover the costs of administering that body's affairs including the cost of mainland travel.

SUBSIDIES TO COUNTIES AND PRIVATE AGENCIES

		(655.37)
QUASI-PUBLIC INSTITUTION—TUBERCULOSIS HOSPITAL		4,074,849
KULA SANATORIUM		
Total Requirements	753,810(114)	
Less Estimated:		
Hospital Receipts	35,000	
Net Appropriation	718,810(114)	

As a supplement to the estimated receipts for the operation and maintenance of the sanatorium in connection with the tuberculosis treatment program; provided, that the appropriation shall be reduced to the extent that the actual receipts and recoveries shall exceed the estimated sum of \$35,000 for the fiscal year 1963-1964; and provided further, that the appropriation above is intended for an average daily inpatient population of 70 in the tuberculosis division.

LEAHI HOSPITAL		
Total Requirements	2,206,263(346.42)	
Less Estimated:		
Hospital Receipts	74,100	

Reimbursements from

Trotter Indigent Unit.....	78,000
Net Appropriation	2,054,163(346.42)

As a supplement to the estimated receipts for the operation and maintenance of the tuberculosis hospital in connection with the tuberculosis treatment program and the chronic illness and nursing care program; provided, that the appropriation shall be reduced to the extent that the actual receipts and recoveries shall exceed the estimated sum of \$74,100 for the fiscal year 1963-1964. All charges prorated to the Trotter indigent unit shall be reimbursed. The appropriation above is intended for an average daily inpatient population of 215 for the tuberculosis program and 80 for the Trotter indigent unit.

HILO HOSPITAL

Total Requirements	725,391(105.95)
Less Estimated:	
Hospital Receipts	21,600
Net Appropriation	703,791(105.95)

As a supplement to the estimated receipts for the operation and maintenance of the tuberculosis hospital for the fiscal year 1963-1964; provided, that this appropriation shall be reduced to the extent that the actual receipts and recoveries shall exceed the estimated sum of \$21,600 for the fiscal year 1963-1964; and provided further, that the appropriation above is intended for an average daily inpatient population of 95.

SAMUEL MAHELONA MEMORIAL HOSPITAL

Total Requirements	616,585(89)
Less Estimated:	
Hospital Receipts	18,500
Net Appropriation	598,085(89)

As a supplement to the estimated receipts for the operation and maintenance of the tuberculosis hospital for the fiscal year 1963-1964; provided, that this appropriation shall be reduced to the extent that the actual receipts and recoveries shall exceed the estimated sum of \$18,500 for the fiscal year 1963-1964; and provided further, that the appropriation above is intended for an average daily inpatient population of 70.

Provided, that within the limits of the authorized positions there may be internal reclassifications to meet the split-shift overtime problem in the nursing service.

OTHER SUBSIDIES AND APPROPRIATIONS

428,192

FIREBOAT—CITY AND COUNTY OF HONOLULU

Total Requirement	182,423(23)
Less Estimated:	
Harbor Special Fund.....	182,423(23)
Net Appropriation	

Provided, that in the event proposed legislation requiring the Harbor Special Fund to carry the full burden of Fireboat operations shall fail of enactment, the sum of \$152,423 shall be authorized to be paid out of the general fund.

GENERAL HOSPITAL SUBSIDIES

CITY AND COUNTY OF HONOLULU

Net Appropriation	121,000
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HAWAII COUNTY

Net Appropriation	90,200
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MAUI COUNTY

Islands of Maui, Lanai and Molokai	
Net Appropriation	118,000

KAUAI COUNTY

Net Appropriation	31,900
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Provided, that the moneys designated after each county shall be paid to the respective board of supervisors or city council, as the case may be, which board or city council shall disburse such funds to any county or private hospitals within its jurisdiction as it deems best.

Provided further, that in the case of the city and county of Honolulu, the city council shall consider what the county hospital has received in the past. Provided further, that the city council should determine the allotments for other hospitals as it deems best; provided that no rural hospital shall receive less than 10 per cent over the 1959-1960 territorial subsidies.

LUNALILO HOME	
Net Appropriation	40,000
VETERANS' CEMETERIES	
Island of Hawaii.....	5,000
Island of Kauai.....	5,000
Island of Maui.....	5,000
Island of Molokai.....	2,500
Net Appropriation	17,500
PACIFIC WAR MEMORIAL COMMISSION	
Net Appropriation	9,592

SECTION 2. The sum of \$226,520 (28.5) or so much thereof as shall be sufficient to accomplish the purpose, is hereby approved for the Hawaiian homes administration account pursuant to the provisions of section 213(f), Hawaiian Homes Commission Act of 1920, as amended, from the proceeds of leasing the available lands as defined in section 204 of said Act.

SECTION 3. The sum of \$372,466 appropriated by section 1 hereof to the department of budget and review for the payment of salaries or other compensation to the incumbents of filled general fund positions shall be allotted in sufficient amounts to insure the payment of the compensation of such employees; provided, that no funds shall be allotted if the departments or agencies concerned can finance the cost of the positions from savings. All amounts deemed excess for the payment of compensation of surplus positions may be transferred by the budget director to the payroll contingency fund created by section 4 of the Act and may be used for the purposes of that fund.

The department shall report, in detail, all expenditures from this fund to the respective houses of the legislature at least twenty days prior to the next regular session of the legislature.

SECTION 4. (a) The director of the department of budget and review, in this Act referred to as the "Budget Director" may and he is hereby authorized to cause, for the purpose of conserving state funds, all positions authorized by this Act becoming vacant on or after July 1, 1963, to remain vacant; provided, that such vacancy if continued will not seriously hinder the accomplishment of the program objectives for which the positions were authorized.

(b) (1) There is hereby created, beginning July 1, 1963 in the department of budget and review, a fund to be known as the "Payroll Contingency Fund." To this fund, which shall be used to pay the costs of any actions taken by the governor under section 4(b)(2), shall be credited the following, to wit:

- A. All moneys appropriated for positions financed out of the general fund becoming and remaining vacant on or after July 1, 1963, pursuant to paragraph (a) and which are not required to meet the cost of reclassification actions, transfer of vacation credits, the payment of accumulated vacation credits, and turnover savings;
- B. Any moneys saved by the budget director under section (c) hereof; and
- C. An amount sufficient to meet the cost of all activities authorized in section (b)(2) from revenues in the general fund, not otherwise appropriated.

(b) (2) The governor is hereby authorized in his discretion to create no more than 40 permanent or temporary positions to be allocated by him to any of the executive departments as he shall deem proper. The budget director is hereby further authorized to expend, within the limits of the payroll contingency fund herein created, such sums of money as shall be necessary to make such positions operative and pay other state obligations.

(c) The budget director may and he is hereby authorized to reduce appropriations for other current expenses, equipment and motor vehicles, separately or collectively, which are incorporated in the general appropriations made in section 1 of this Act but not in excess of three per cent of such appropriations.

SECTION 5. (a) The governor is hereby authorized to review such positions as are authorized under this Act and to find and declare such positions to be surplus when any one of the following situations exist:

(1) There is duplication of services with other existing positions due to similarity of programs.

(2) The need for such position has expired.

(3) The duties and responsibilities may be better performed by some other position. (4) The purposes for which the position was created can better be accomplished by another position.

In any case where the governor shall find any of the foregoing situations to exist, he shall declare, in writing, such position to be surplus and the director of the department of budget and review shall transfer the funds for such position to the "surplus position" fund in the department of budget and review and the incumbent shall be subject to the same conditions as any person occupying any surplus position under this or any other Act.

(b) Nothing contained in this Act shall limit the power of the legislature to find and declare any position to be surplus or otherwise change the nature of any position.

SECTION 6. There is hereby appropriated from revenues in the general fund not otherwise appropriated, the sum of \$20,000 to permit the governor or budget director if so delegated to contract for consulting services in the implementation of a statewide integrated data processing system.

SECTION 7. There is hereby appropriated out of the public trust fund created by section 5(f) of the Admission Act (Public Law 86-3, 86th Congress), the total amount of the proceeds from the sale or other disposition of any lands, and the income therefrom, granted to the State by section 5(b) or later conveyed to the State by section 5(e), with the exception of such proceeds covered under section . . . -19 of section 2, Act 32, Session Laws of Hawaii 1962, to be disposed of by the board of land and natural resources, in order to reimburse the general fund for the appropriation made in section 1 of this Act to the department of education for the support of public schools, to the extent such proceeds are realized for the period beginning July 1, 1963, to June 30, 1964. The above proceeds shall be exclusive of the amounts disposed of under the provisions of the Hawaiian Homes Commission Act 1920, as amended.

SECTION 8. For the fiscal year 1963-1964, in the absence of legislative appropriations for special funds as provided under section 2 of Act 320, SLH 1957, departments and establishments shall be authorized to expend so much as is deemed necessary to carry out the purposes of each special fund, as approved by the governor, or the director of the department of budget and review if so delegated by the governor provided, that such expenditures shall not exceed the monies approved in section 1 of this Act; and provided further, that the surplus special fund positions shall be controlled and reduced in the same manner as the surplus general fund positions.

SECTION 9. Whenever the functions of a previously existing department, office, or other agency are transferred to any other department by legislation enacted during any session of the legislature which affects the appropriations made by this Act, the governor, or the department of budget and review if so delegated by the governor, shall transfer the necessary funds to support such function from the department to which the appropriation was made to the department to which the function has been transferred.

SECTION 10. The designations referring to divisions, bureaus, offices and other subdivisions of departments are used in this Act for convenience only and such use is not intended to create or confirm the existence of such departmental subdivision.

SECTION 11. In allotting funds to the department of health, department of social services, tubercular hospitals, and other departments, commissions, and agencies having appropriations which are based on population and workload data as specified in this Act, only so much as necessary to provide the level of services intended by the legislature shall be allotted by the department of budget and review. For this purpose, the departments and agencies concerned shall reduce expenditures below appropriations as prescribed by the department of budget and review in the event actual population and workload trend is less than the specified figure. In the event that the trend is higher than the specified figure, the department is authorized to submit a deficiency appropriation request to the extent and on such basis as may be prescribed by the director of the department of budget and review.

SECTION 12. Except as otherwise provided, transfer of funds between program appropriations within a department may be made by the head of the department upon his certification, and approval by the director of the department of budget and review, that appropriation balances are or will be available for such transfers after the program objectives intended by the legislature have been accomplished and that such transfers are necessary to accomplish program objectives authorized by the legislature.

SECTION 13. Where the operation of a department or a program is financed by general appropriation as well as by nongeneral appropriation funds, the general appropriation portion shall be decreased to the extent that the receipt of nongeneral appropriation funds approved in this Act are exceeded, provided, that such decrease shall not jeopardize the receipt of such increased nongeneral appropriation funds, and, provided further, that this section shall not apply to any fund if such excess

receipts are to be expended for a purpose or purposes approved by the governor or the director of the department of budget and review if such authority is so delegated by the governor.

SECTION 14. The maximum number of positions authorized for the state government during the fiscal year 1963-1964 is the sum of the positions enclosed in parenthesis after the appropriation or approved amounts for state programs, provided, that this section shall not apply to any position required to perform a function or service of a temporary or nonrecurring character nor shall it apply to the classroom teaching positions in the department of education and the University of Hawaii.

SECTION 15. No funds appropriated in this Act shall be used by a department for the purpose of conducting a study or survey of its management practices or for any other purpose, except as authorized by this Act or any other action of the legislature or by a legislative interim committee.

SECTION 16. The equipment and supplies for which appropriations of general fund moneys or authorizations of special fund moneys are made by this Act, may be procured through the department of accounting and general services. The state comptroller may provide for the centralized purchasing of equipment and supplies to the extent that available funds and personnel permit.

SECTION 17. If any section, subsection, paragraph, sentence, clause, phrase or appropriation contained in this Act is for any reason held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portions of this Act.

SECTION 18. This Act shall take effect from and after July 1, 1963.

(Approved June 5, 1963.) **H.B. 2.**

ACT 203

A Bill for an Act Relating to Public Lands of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Act 32, section 2, Session Laws of Hawaii 1962, is hereby amended by adding a new section to the chapter on public lands thereunder to be designated and to read as follows:

"Section 42.5. **Lease of camp sites.** The board may directly lease without recourse to public auction to any eleemosynary or religious organization camp sites in a state park area on or lands under the control of the department at nominal consideration. The lease shall provide that the lessee shall permit the public to use the camp sites at the rates established by the board in its rules and regulations. Except as provided herein, the terms and conditions of sections 33, 35 and 36 shall apply."

SECTION 2. This Act shall take effect upon its approval.

(Approved June 5, 1963.) **H.B. 967.**

ACT 204

A Bill for an Act Relating to the Relief of Certain Persons, Firms and Corporations for Overpayment of Taxes, to Remit Taxes, and Other Claims Against the State, and Providing Appropriations Therefor.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The following respective sums of money are hereby appropriated out of the general revenues of the State of Hawaii for the purpose of reimbursing the following named persons, firms and corporations for overpayment of taxes or on account of other claims against the State in the amount set opposite their respective names: Act 173, Session Laws, 1961.

REAL PROPERTY TAXES	TAX KEY	YEAR	AMOUNT
ABE, KAZUHISA	2-2-35-29	1960, 1961	\$ 133.05
ABE, STANLEY G.....	2-4-15-91	1961	18.29
AKAMINE, TAKESHI	2-5-09-21	1960	4.51
AMANO, MATSU	2-3-9-17	1960, 1961, 1962	76.50
ASABI, YUJIRO & SAKAE.....	2-4-15-82	1962	18.29
ATKINSON, CHARLES W. & DORIS M.	2-1-05-17, 1-1-23-49	1960, 1961, 1962	380.03
BAKER, JOHN T., ESTATE OF DECEASED.....	44 parcels	1960, 1961	17,944.29
BEAMER, P. C.....	7 parcels	1960, 1961	3,988.28
BROWN, EILEEN B.....	2-5-07-17	1960, 1961	100.32
			[Vetoed J.A.B.]
BROWN, R. P.....	2-1-14-62	1960, 1961	364.66
			[Vetoed J.A.B.]
CASTLE & COOKE, INC.....	1-6-01-08, 1-6-03-23, 1-6-03-56	1960	3,945.78
			[Vetoed J.A.B.]
CHANG, AH HON & CICILIA V.....	2-2-07-02, 2-2-07-31, 2-2-07-40	1960, 1961	704.67
CHAPMAN, LILLIAN M.....	2-1-04-03, 2-4-14-111	1960, 1961	26.28
CHING, YUN HON CHOCK.....	7 parcels	1960	1,177.52
CHOCK, H. P.....	9 parcels	1960	770.89
CHOCK, TAI ON.....	2-3-21-46, 2-4-11-89	1960, 1961	206.05
CHOCK, WAH KAN.....	2-3-07-22, 2-6-14-17	1960, 1961	910.53
CHOCK, WAH YUKE.....	5 parcels	1960	1,992.11
CHONG, RICHARD J. & MAILE.....	4 parcels	1960, 1961	135.45
CHONG, ROSIE C. & WING ON.....	5 parcels	1960, 1961	568.91
CHONG, WING FOOK & TUNGERT..	11 parcels	1960, 1961, 1962	855.90
CHOW, C. L.....	7 parcels	1960, 1961	5,875.65
CHOW, HENRY F. C.....	1-4-01-42	1960, 1961	113.96
CHOW, ROBERT Y. T.....	2-4-11-120	1960, 1961	223.55
CHOW, ROBERT, WALLACE, HENRY & RICHARD NIP, TRUSTEES FOR WILLIAM & LAWRENCE CHOW....	6 parcels	1960, 1961	13,257.44

REAL PROPERTY TAXES	TAX KEY	YEAR	AMOUNT
CHOW, WALLACE Y. T.....	1-4-01-43, 2-3-29-16	1960, 1961	294.64
CHOW, WILLIAM & LAWRENCE, TRUST	1-4-01-45	1960, 1961	43.31
CHUNG, SOON YEE.....	2-3-09-07	1960, 1961	400.69
CRAWFORD, HOWARD E.....	2-5-12-78, 2-5-12-79	1960, 1961, 1962	449.28
CROSS, MARCIA L.....	2-1-02-35	1960, 1961	199.56
CUNNINGHAM, SARAH	2-1-08-15, 2-2-32-06	1960, 1961	643.17
CUNNINGHAM, THOMAS M.....	2-3-06-10, 2-3-03-35	1960, 1961	715.97
DURANT REALTY CORPORATION..	2-2-50-97	1961	34.74
EBESUZAKI, K., LTD.....	6 parcels	1961, 1962	1,484.07
EKO, WALTER	4 parcels	1960	155.23
ENRIQUEZ, GEORGE	1-4-34-12	1961	3.94
FERNANDEZ, ARTHUR & DOROTHY	2-3-29-52	1961, 1962	34.78
FERREIRA, WILLIAM E.....	2-5-25-19 7-6-18-102	1960, 1961	250.13
FUJITA, HATSUYO	4-4-03-44	1960	36.53
FUKUDA, ROBERT T.....	1-4-26-15, 2-2-46-20	1960, 1961	275.78
FUKUDA, SUEKO	2-4-14-82	1961	18.29
FUKUMOTO, KAZUO	2-2-12-15, 2-4-14-71	1960, 1961	39.48
FURTADO, RICHARD D.....	5 parcels	1960, 1961	719.98
GOYA, RONALD T.....	2-2-41-21, 2-3-16-49	1960, 1961	441.40
GREENE, CHRISTINE	2-4-27-01	1960, 1961, 1962	37.46
HAMADA, HELEN T.....	2-3-24-23	1960, 1961	44.46
HAMAI, W. K.....	2-2-49-04, 2-3-34-36	1960, 1961	86.42
HARA, STANLEY I.....	2-2-37-06	1960, 1961, 1962	296.47
HARA, T. & CO., LTD.....	1-4-06-07, 2-2-12-03	1960, 1961, 1962	987.69
HARADA, HAJIME	7 parcels	1960	386.22
HARAGUCHI, TAKEO	2-2-42-02	1960, 1961, 1962	48.98
HASHIMOTO, HARUYO	2-4-14-96	1961	9.14
HATA, NAEKO	2-2-11-06	1960, 1961	399.61
HAUANIO, PETER	1-5-13-38	1960, 1961	14.68
HAWAII IMPORTING CO., LTD.....	2-3-07-12, 14, 24, 31	1960, 1961	2,047.40
HAWAII JUNK, LTD.....	2-2-12-48	1960, 1961	677.97
		[Vetoed J.A.B.]	
HAWAII PLANNING MILL, LTD.....	7-7-09-48	1961	17.96
HAWAIIAN COFFEE CO., LTD.....	2-2-49-30	1960, 1961	580.79
HAWAIIAN FERN WOOD, LTD.....	2-2-33-13, 14	1960, 1961	1,035.02
HAYASHI, KIYOTO	2-4-14-106	1961	9.15
HAYSELDEN, CLAUS H., JR.....	2-1-14-70	1960, 1961	159.81

REAL PROPERTY TAXES	TAX KEY	YEAR	AMOUNT
HENRY, WILLIAM E.....	1-4-25-02, 2-3-43-11, 2-3-43-15	1960, 1961	96.44
HERBST, A. G.....	1-4-26-05, 2-3-22-12	1960, 1961 1962	126.30
HIGA, OTO	1-4-09-08	1960, 1961, 1962	39.80
HIGASHI, SAICHI	6 parcels	1960	152.07
HILO BODY SERVICE, LTD.....	2-2-49-10	1961	73.47
HILO CHINESE CEMETERY ASSN...	2-2-12-14, 2-3-18-62	1960, 1961	768.18
HILO DRAYING CO., LTD.....	2-2-28-110	1960	134.83
HILO EQUIPMENT & MFG. CO., LTD.	2-1-06-05, 2-1-06-65	1960	874.41
HILO MEAT COOPERATIVE, LTD....	2-2-28-126, 2-3-04-07	1960, 1961	5,443.74
HILO MEISHOIN	2-2-13-02	1960, 1961	410.83
HILO RICE MILL CO., LTD.....	2-2-06-11, 2-2-06-20	1960, 1961	727.79
HILO SALVAGE CO., LTD.....	2-2-37-52, 57, 58, 59, 92, 93	1960	143.40
HIRATA, ISAMI	2-1-04-24, 2-4-04-30, 2-4-41-31	1960, 1961	80.25
HIRATA, TEICHIRO & YUKIE N...	1-4-11-71, 2-4-19-39	1961, 1962	35.24
HISANAGA, YUKI	1-4-34-11	1962	2.86
HOLT, ALBERT C.....	8 parcels	1960, 1961	435.85
HONDA, MASAYUKI	1-5-03-32, 1-5-03-33	1961	15.78
HONGO, TORAKIYO	2-1-02-05	1960, 1961	227.84
HONOLULU IRON WORKS.....	2-2-01-08	1960, 1961	554.01
HONPA HONGWANJI MISSION OF HAWAII	2-2-07-08	1960, 1961	470.94
HORIHATA, SHUNJI	2-4-15-86	1961, 1962	95.62
ICHIJO, BUNGO	2-2-22-09, 2-3-15-27	1960, 1961	267.67
ICHIJO, DANIEL, ESTATE OF DECEASED	2-4-24-18	1960, 1961	179.96
ICHINO, GARY T. dba PICK & PAY..	2-5-12-57	1960, 1961	158.15
IDEMOTO, WAICHI	2-4-14-88	1961, 1962	27.36
IGAWA, RICHARD	2-4-15-91	1961	18.29
IGNACIO, MRS. FLORENCE.....	1-9-06-03, 2-4-04-74, 2-6-03-17	1960, 1961	183.68
IKEDA, MASAKI & MATSUE.....	2-4-14-62	1960, 1961, 1962	146.48
IKEDA, SHIRO	2-1-01-93	1960	57.32
IKEDA, TADASHI	2-1-06-14, 2-1-06-22, 4-4-08-38	1960, 1961	290.22
IKEDA, TOMOYE	1-4-18-06, 1-5-03-09, 1-5-04-06, 1-5-04-07	1960, 1961	183.90

REAL PROPERTY TAXES	TAX KEY	YEAR	AMOUNT
INADA, KIYOSHI	1-4-07-04, 2-1-17-41, 42	1960, 1961, 1962	270.10
INAY, ANTONIO	1-4-34-15, 1-5-03-23	1960, 1961	64.17
INOUE, GEORGE T.....	2-7-17-03	1960, 1961	163.80
ISHII, GORDON M.....	2-2-18-34	1960, 1961	284.43
ISLAND HOLIDAYS, LTD.....	7-5-22-41	1960, 1961	211.56
IWAMOTO, JACK K.....	2-2-36-110	1960	44.58
IWATA, KOICHI	10 parcels	1960	106.19
IWATA, MURAICHI	5 parcels	1960, 1961, 1962	161.92
IYO, MASAICHI	2-3-18-63	1960, 1961	169.30
IYO, YOSHIHIRO & SADAOKO.....	2-4-41-18	1961	11.13
IZUNO, HYOE	5 parcels	1960, 1961	235.43
JARDINE, JOE & ELVIRA CARVALHO	1-9-11-02, 6-9-03-23	1960, 1961	111.02
KAJIYAMA, NOBORU	1-4-34-06	1961	5.64
KAKU, TATSUO	2-3-09-16, 2-4-33-08	1960, 1961	98.96
KALawe, ALVIN, SR.....	1-4-05-11, 1-4-34-18	1961	14.98
KAMA, KINNEY	1-2-03-30, 1-5-07-13, 2-1-04-20	1960	51.90
KAMEI, KIYOSHI	2-2-43-43	1960, 1961, 1962	210.26
KAMEI, KIYOSHI, HAJIME AND MASAMI	1-4-14-05, 06	1960	14.84
KANEKUNI, ISAMI	2-4-19-64	1960, 1961	120.80
KANEMORI, RALPH T.....	2-2-34-12	1960, 1961	54.23
KANESHIRO, MICHA	2-3-09-35	1960, 1961	463.48
KANESHIRO AND SONS ENTERPRISE, LTD.	5 parcels	1960, 1961	3,826.12
KANNO, KOICHI	2-4-15-75	1961	8.23
KAWAMOTO, BERNICE A.....	2-3-26-23	1961	20.00
KAWAMURA, HORACE M.....	2-1-05-03	1960, 1961, 1962	80.99
KAWAMURA, KIYOICHI	1-3-01-30, 1-5-12-64	1960, 1961	4.31
KAWANO, ESTATE OF SHOJI AND SUMAKO	2-1-04-22	1960, 1961	66.90
KAYA, PAUL H.....	4 parcels	1960, 1961	463.06
KEALOHA, JAMES K.....	1-4-02-28, 2-2-24-14, 2-2-50-02	1960, 1961	546.86
KEALOHA, MIULAN Y.....	8 parcels	1960, 1961	5,292.25
KIMI, WILLIAM J., JR.....	2-5-03-18, 2-5-03-19, 7-5-19-25	1960, 1961	22.78
KIMI, WILLIAM J., SR.....	2-1-06-08, 1-9-08-40	1960, 1961	3,163.45
KIMI, WILLIAM J., LTD.....	2-5-06-26, 7-5-19-16	1960, 1961	218.05

REAL PROPERTY TAXES	TAX KEY	YEAR	AMOUNT
KIMURA, YAITSU	2-2-38-71	1960, 1961, 1962	411.92
KINOSHITA, TOM H.....	2-4-14-73	1961	18.29
KITAGAWA, I. & CO., LTD.....	2-2-03-04, 2-2-03-05, 2-2-04-26	1960, 1961	1,558.80
KITAGAWA, MITSUO	2-2-21-37, 2-4-12-74	1960, 1961, 1962	40.11
KITAGAWA, TSUTAE	2-2-06-01, 2-2-06-18, 2-2-19-13	1960, 1961	1,654.79
KITAGAWA, TSUTAE & CHIENO....	4 parcels	1960, 1961	865.28
KIYOSAKI, MASATO	2-2-07-29	1960, 1961	46.75
KIYOSAKI, SHIZUO & MASAE.....	2-2-07-28, 2-4-13-27	1960, 1961	178.44
KOBAYASHI, SATORU	2-1-02-32, 2-2-40-65	1960, 1961	187.50
KOBAYASHI, YOSHIMI	1-4-16-13, 1-5-04-52	1960, 1961	17.36
KONO, HIROAKI	2-2-32-67, 2-3-22-14, 9-6-08-13	1960, 1961	476.73
KOSHIYAMA, NORMAN	2-5-12-97	1961	8.83
KUDO, ALBERT T.....	7 parcels	1960, 1961	471.27
KUWANA, JAMES M.....	8 parcels	1960	259.56
KUWAYE, JAMES R.....	2-2-27-62	1960, 1961	130.22
MACHADO, CHARLES F.....	5 parcels	1960	213.15
MACHADO, FRANK, JOHN & WILLIAM	5 parcels	1960	452.27
MACHADO, JOHN	2-4-29-11	1960	110.59
MACHADO, WILLIAM	2-3-24-09, 7-7-09-69, 7-7-09-70	1960	87.81
MAEBO, AKETO	2-4-41-24	1961	11.62
MAKINO, TAKURO & KAZUE.....	1-4-06-02, 1-4-34-11	1961	7.39
MAKINODAN, NOBORU & KIKUE...	1-3-01-41, 1-4-11-09	1960, 1961	79.45
MARTIN, CHARLES K.....	2-2-34-94	1962	29.85
MASUDA, TAKEO	1-4-06-12, 1-4-34-16	1960, 1961	6.06
MURAMOTO, SHOICHI	2-4-14-29	1961	32.17
MUROTA, KATSUICHI	7 parcels	1961	1,158.69
NAGAHISA, KIYOTO	2-2-37-72	1960, 1961, 1962	273.67
NAGAMI, MASATO	2-2-19-59, 2-2-19-71	1960, 1961	313.21
NAGAO, RALPH T.....	2-2-27-41	1960, 1961	67.26
NAKAMURA, HARUO	1-4-09-97	1960	2.48
NAKAMURA, KENJI	1-5-04-55	1961, 1962	69.69
NAKAMURA, YOSHIO	1-4-07-06, 1-4-10-62, 1-4-21-07	1960	78.71
NAKAOKA, JAMES YOSHIO.....	2-4-41-29	1961	11.62

REAL PROPERTY TAXES	TAX KEY	YEAR	AMOUNT
NAKASHIMA, KIKUNO	1-9-14-61, 2-5-12-55	1960, 1961	169.05
NAKAUCHI, TSUTOMU	1-5-04-40	1960, 1961	97.50
NAMBA, HIDEO	9 parcels	1960, 1961	60.92
NARIMATSU, TOSHIYUKI & TERUKO	1-4-26-10, 2-2-27-79, 2-7-14-09	1960, 1961	399.70
NIIYA, TOMOSHIRO	1-3-04-01, 1-4-12-01, 1-4-34-09	1960, 1961	194.62
NISHIMURA, H.	5 parcels	1960, 1961	632.62
NISHIURA, MOJURO	6 parcels	1960, 1961	160.59
NOBRIGA, WILLIAM J.....	2-3-22-54	1960, 1961	103.82
NONAKA, MINORU	2-4-41-34	1961, 1962	23.38
NOWAKI, HARRY S.....	2-4-15-100	1961	18.29
ODA, SHIGERU & TSURUYO.....	9 parcels	1960, 1961	1,378.41
ODA, TSURUYO	2-2-32-82, 7-5-16-44	1960, 1961	333.39
OGI, KAZUO & MASAKO.....	2-2-43-06	1960, 1961, 1962	143.04
OKADA, CHIEKO S.....	4 parcels	1960, 1961, 1962	455.93
OKANO, TOM T.....	9 parcels	1960, 1961	468.86
OKIMURA, RICHARD M.....	2-1-14-65	1960, 1961	39.61
		[Vetoed J.A.B.]	
OKINAGA, NOBUKO	2-2-11-22, 2-2-11-27, 2-3-17-16	1960, 1961	168.33
OKINO, KAZUICHI	2-1-06-29	1960, 1961	204.22
OKUMOTO, YOSHINO	2-4-14-99	1961, 1962	18.30
OKUMURA, YOSHICHI	1-5-12-15	1960, 1961	10.83
OKUYAMA, TOMOO	1-9-02-11, 2-2-07-34, 2-2-07-38	1960, 1961	155.25
OSHITA, SUKEICHI	4 parcels	1960, 1961	44.47
OTANI, CHARLES T. & MABEL.....	10 parcels	1960, 1961	622.95
OZEKI, JUNICHI	2-5-06-54	1960, 1961	54.95
PAULO, EDWARD	2-4-14-97	1961, 1962	27.44
PERREIRA, STEPHEN A.....	2-4-05-84, 85 (1960) 2-4-34-14, 15 (1961)	1960, 1961	236.12
REALTY INVESTMENT COMPANY..	18 parcels	1960, 1961	11,670.02
RONOLO, ENRIQUE	2-4-15-97	1962	112.43
SAKAGUCHI, CHARLES K.....	6 parcels	1960, 1961	214.29
SAKAGUCHI, YAINO N.....	1-4-34-10	1961	5.64
SAKAI, ISAMI	2-2-34-101	1962	24.60
SAKAI, KATSUMI	2-6-04-22	1960, 1961	76.02
		[Vetoed J.A.B.]	
SAKIMIZURU, RAKU	2-5-16-42	1960	15.79
SANTO, NOBUCHIKA	1-4-14-91, 2-5-23-15	1960, 1961, 1962	117.09
SANTO, TSUKASA	2-4-19-51	1960, 1961	111.79

REAL PROPERTY TAXES	TAX KEY	YEAR	AMOUNT
SANTO, TSUYOSHI & YOSHIKO.....	1-4-10-16	1960, 1961	33.64
SASAKI, MASA AKI	2-4-15-101	1961, 1962	27.43
SASAKI, TAMOTSU	1-5-09-16	1960, 1961	135.12
SATO, HAMAYO	1-5-01-34	1960	43.84
SATO, TOSHIO & TSUGIKO Y. MIYAMOTO	2-2-11-08	1960	20.20
SAWADA, JAMES S. & NOBUKO.....	2-4-15-87	1961, 1962	36.58
SCHATTEUR, PAUL A. & LILLIAN..	2-3-21-45	1960, 1961, 1962	210.27
SEKIDO, RONALD & BETTY.....	2-2-41-48	1960, 1961	298.69
SEKOMOTO, MICHIE	2-1-01-12, 2-1-19-13	1960, 1961	36.87
SHIIGI, KENJI, MASATO & MOTOYUKI	2-3-26-14	1960	125.51
SHIMAZU, HIDEO	2-4-14-68	1961	8.23
SHIMAZU, YOSHIO	2-2-45-81	1962	10.79
SHIMIZU, KAORU	1-4-15-10	1960, 1961	31.19
SHIMIZU, KAZUMI	1-5-07-20, 1-5-12-14, 1-5-12-31	1960, 1961	41.21
SHINDO, EDWARD & SATOMI.....	2-4-14-102	1961, 1962	27.44
SHINDO, MASARU	2-2-14-12, 2-5-24-33	1960, 1961	465.56
SHIROYAMA, SUENO (Mrs.).....	2-1-04-31, 2-4-14-98	1960, 1961	24.91
SHIROMA, HARUKICHI	2-4-15-95	1961	18.29
SHIROMA, HENRY S.....	2-4-05-60, 2-4-37-02	1960, 1961	158.07
SMITH, CAROL	2-5-03-07	1960, 1961, 1962	48.17
SOGA, HIROSHI	2-5-19-02	1960, 1961, 1962	68.22
SOGA, MANABU	2-5-22-30	1960, 1961, 1962	77.90
SUISAN CO., LTD.....	2-1-01-29, 2-3-09-20, 2-3-09-23	1960	912.72
SUMIDA, RYOJI	2-1-1-15 Par. 30 & 40, 2-6-08-08	1960	651.15
SUN-SUN LAU, LTD.	2-2-06-17	1960, 1961	1,182.61
TAKAHASHI, ROBERT Y.....	2-5-16-03	1960, 1961	203.72
TAKATA, MASAO	2-2-11-30	1960	12.11
TAKATA, TAMOTSU	2-4-21-39, 2-4-21-44	1960, 1961, 1962	284.32
TAMARU, YOSHIO	2-2-25-10	1960, 1961	92.06
TANIGUCHI, MASARU	2-2-36-46	1960, 1961, 1962	100.47
TANIOKA, ISAMI	4 parcels	1960	33.40
TODD, OLIVER C.....	2-3-12-27, 2-4-14-104	1960, 1961	91.00
TOGUCHI, THOMAS	4 parcels	1960, 1961	386.40
TORIGOE, TOSHIO	1-6-03-33, 1-7-03-29	1960, 1961	205.43

REAL PROPERTY TAXES	TAX KEY	YEAR	AMOUNT
TORIGOE, YOSHITO	1-6-02-82	1960, 1961	45.71
TOWARA, TSUTOMU	2-4-14-101	1961	18.29
TROPIC LANAL, INC.....	2-2-29-06 & 08	1960, 1961	109.46
UEDA, HAKARU	2-4-41-30	1961, 1962	17.43
UOTSU, ETSUYA	2-4-14-66	1961	14.63
URASAKI, MASAKO	2-5-20-03	1961	11.67
USHIJIMA, SUMIE	2-2-27-70, 2-2-27-80	1960, 1961	352.44
VANA, MARY	1-4-11-24, 2-3-23-27	1960, 1961, 1962	849.48
VICTORINO, DAVID C.....	1-7-16-18	1960, 1961	175.01
VICTORINO, JOSEPH P.....	2-2-11-12, 2-4-15-88	1960, 1961	31.98
VIERRA, WILLIAM	4 parcels	1960, 1961, 1962	126.33
WAIALAE NUI FARM, LTD.....	2-2-11-01	1960, 1961, 1962	165.00
WAILOA MOTORS, LTD.....	2-2-02-02	1960, 1961	1,061.81
WATT, LYNN A. & HELEN.....	7-7-9-11 7-7-09-42	1960, 1961	126.95
WILLIAMS, WILLIAM C.....	2-3-28-60	1960	94.62
WONG LEONG DOO BENEVOLENT SOCIETY	2-2-06-16, 2-2-06-23	1960, 1961, 1962	320.03
WONG, WILLIAM P.....	1-3-01-27, 1-3-03-14, 1-3-04-14	1960, 1961	12.59
YAFUSO, HIROSHI	2-5-19-41	1960, 1961	56.70
YAGI, JAMES S.....	5 parcels	1960, 1961	1,278.73
YAMADA, DONALD K.....	3-6-03-06, 3-6-03-07	1960, 1961	85.85
YAMADA, EMMA	3-6-02-05	1960, 1961	12.88
YAMADA, ROBERT M.....	15 parcels	1960, 1961	942.77
YAMADA, ROBERT M. et al.....	2-2-37-89, 2-2-37-105	1960, 1961	1,319.19
YAMADA, RONALD L.....	1-2-06-24, 25, 2-2-24-22	1960, 1961	549.21
YAMADA, RYUICHI	2-2-24-21	1960, 1961	95.30
YAMAMOTO, ETSUKO, ESTATE OF DECEASED.....	2-1-04-17, 2-5-12-119	1960, 1961	87.31
YAMAMOTO, JAMES K.....	5 parcels	1960, 1961	171.83
YAMAMOTO, RICHARD K.....	2-4-23-07	1960, 1961	153.50
YAMAMOTO, SHINICHI	2-4-11-87	1960, 1961, 1962	349.11
YAMAUCHI, ETSU	2-3-16-54	1960, 1961, 1962	89.98
YAMAUCHI, HIROMU AND ELLEN..	2-2-28-64	1961	14.46
YAMAUCHI, ISAMU	2-4-04-72	1961, 1962	112.70
YANAGI, SANFORD Y.....	1-4-26-09, 2-3-12-20, 23	1960	108.06
YANAGIHARA, KAZUO	2-4-14-93	1961	18.29
YANAZAKI, BOB HISAO.....	2-2-28-111	1960	119.77

REAL PROPERTY TAXES	TAX KEY	YEAR	AMOUNT
YASUKAWA, AKIRA	4 parcels	1960, 1961	557.24
YOKOYAMA, KINTARO	2-4-12-76	1961, 1962	23.38
YOSHIYAMA, HIDEO	2-2-37-34	1960, 1961, 1962	326.87
ACT 29, FIRST SPECIAL SESSION 1959			
TAO, TAKEO	2-7-04-49, 2-8-10-40	1959, 1960	106.52
SECTION 35-6, RLH 1955, as amended, Utility Taxes, Real Property Taxes, and Escheated Accounts.			
AGBAYANI, JAMES D. AND OSEN			\$ 38.83
Delay in cashing special fund warrant No. S-150523 dated June 28, 1961.			
ALULI TRUST ESTATE (Tax Key 3-4-13-75)			42.52
Refund of real property tax overpaid for year 1961.			
ANDERSON, SHERROD V.			36.71
Delay in cashing warrant No. S-140154 dated June 13, 1961.			
BERTRAM, MARGARET			195.34
plus interest			
Damages to automobile. Judgment in Civil No. 8517, First Circuit Court.			
BISHO, E. R.			150.00
Reimbursement for cash lost during public auction of buildings, charged to and paid by claimant.			
BISHOP TRUST COMPANY, LTD.			699.06
Refund of real property taxes overpaid for year 1958.			
BOARMAN, MRS. EMMA WADHAMS.			165.43
Payment of escheated savings account No. 121758, Bank of Hawaii, war- rant No. 170005.			
BOWERS, MRS. FAYNE E.			318.70
Payroll warrant 021360, September 30, 1957 misplaced by claimant.			
BOWNER, MRS. HARRIET S.			50.75
Payroll warrant 113088, May 12, 1961, misplaced by claimant.			
BRANCO, MRS. LORETTA J.			240.00
Back payment of bonus due under Act 242, SLH 1959.			
BRESLIN, LOUISE S.			11.68
S156750, June 4, 1959.			
CALIDA, JAYME			7.41
Warrant No. S118165, dated April 15, 1959, misplaced by claimant.			
CHANG, KAI N.			228.24
Payroll warrant, June 30, 1961, misplaced by claimant.			
CHUNG ESTATE, MARY A. (Tax Key 4-6-16-12)			25.28
Refund of real property tax overpaid for year 1961.			
CHING, WALTER EN FU (Tax Key 4-5-11-24)			90.29
Refund of portion of real property taxes overpaid for years 1961 and 1962.			
CLARKE, ETHEL M.			24.00
Warrant for jury duty, G013052, September 30, 1961, misplaced by claim- ant.			
COITO, ESTHER V. (Tax Key 2-8-20-53)			159.50
Refund of real property taxes overpaid for years 1960 and 1961.			
CORA, INC.			100.00
Refund of foreign corporation license fee paid for period July 1, 1961 —June 30, 1962.			
CORREIA, JOSEPH S. (Tax Key 3-3-42-13)			16.88
Refund of real property taxes overpaid for year 1959.			
CUMMINGS, WILLIAM H. (Tax Key 3-3-42-13)			71.17
Refund of portion of real property taxes overpaid for years 1947 to 1961.			
DAVIS, MRS. MITSUE AKIMOTO (Tax Key 4-3-04-08)			185.75
Refund of portion of real property taxes overpaid for years 1957 to 1960.			
ECKART, MARY C. (Tax Key 3-4-14-56)			3.52
Refund of real property taxes overpaid for year 1961.			
FARIAS, GILBERT J. & AEEME H.			11.58
Warrant PO 48010, special fund lapsed into general fund June 30, 1961.			

FRANSON, FREDERICK H. (Tax Key 1-7-43-002).....	89.67
Refund of portion of real property taxes overpaid for years 1958 to 1962.	
GARCIA, DIONICIO P. AND MARIA (Tax Key 3-4-20-09).....	54.73
Refund of real property taxes overpaid for year 1961.	
HAWAII AIKI KWAI (Tax Key 3-3-02-26).....	178.24
Refund of real property taxes for year 1960.	
HAWAII BAPTIST CONVENTION (Tax Key 2-4-29-25).....	231.44
Refund of real property taxes for year 1962.	
HAWAII PREPARATORY ACADEMY (Tax Key 6-5-04-64).....	511.75
Refund of real property taxes for year 1962.	
HAWAIIAN BAPTIST MISSION (Tax Key 4-2-13-29).....	523.44
Remission of real property taxes for year 1960.	
HAWAIIAN EVANGELICAL ASSOCIATION OF CHRISTIAN CHURCHES (Tax Key 4-3-44-64).....	419.02
Refund of real property taxes paid for year 1962.	
HAWAIIAN TELEPHONE COMPANY.....	39,145.00
Public Utility Tax refund for years 1958, 1959, 1960.	
HASEGAWA, PAUL S.....	9.67
Warrant S119665, April 15, 1959, mislaid by claimant.	
HAYASHI, MRS. GERDE I. (Tax Key 7-4-15-89).....	38.03
Refund of real property taxes for year 1960.	
HEDANI, AKIRA.....	74.96
Refund of real property taxes for year 1961.	
HILACION, MACARIO.....	5.25
Special Fund Warrant S033713 lapsed into general fund June 30, 1962.	
Mislaid by claimant.	
HIRAHARA, RUTH M. (Tax Key 8-7-20-040).....	129.00
Refund of portion of real property taxes for year 1961.	
HIRANO, RICHARD et al. (Tax Key 2-7-16-2).....	694.50
Refund of portion of real property taxes for year 1961.	
HIRATA, HERBERT H.....	2,171.87
Loss of watermelon crop caused by negligent use of herbicide by maintenance crew of Highways Division, State Department of Transportation.	
HOME EQUIPMENT CO., LTD. (Tax Key 2-3-29-11).....	45.02
Refund of real property taxes overpaid for year 1961.	
HOWARD, DOLORES L. (Mrs.) (Tax Key 5-2-15-13).....	4.46
Refund of real property taxes overpaid for year 1961.	
HU, HERMAN S. L. (Tax Key 4-2-32-41).....	128.31
Refund of portion of real property taxes for year 1962.	
JUSTO, ALFREDO.....	2.99
Escheated Warrant S031595, February 6, 1961.	
KEALOHA, SOLOMON K., JR.....	25.23
Warrant S101505, March 24, 1959, misplaced by claimant.	
LABRADOR, JOSE V. & VIRGINIA L.....	70.54
Warrant S013639, October 4, 1960, misplaced by claimant.	
KALILI, MRS. LIBBIE.....	480.00
Back payment of bonus due under Act 242, SLH 1959.	
KAILIKEA, MRS. CARRIE.....	480.00
Back payment of bonus due under Act 242, SLH 1959.	
LAM, SIE SING.....	32.00
Warrant S150795, special fund which lapsed into general fund, misplaced by claimant.	
LEE, FAITH W.....	39.65
Payroll 91855, February 10, 1960, misplaced by claimant.	
LEE, LEONARD L.....	25.48
Special Fund Warrant 101983, March 24, 1959.	
LUM, HENRY.....	25.05
Balance of Bank of Hawaii Savings Account escheated to the State, April 6, 1956.	
LYAU, ALLEN Y.....	86.50
Warrant dated August 6, 1954, payable to Eleanor A. Villamor for wages, misplaced by claimant.	
MACHADO, MRS. THELMA.....	172.50
Back payment of bonus due under Act 242, SLH 1959.	

MARKS, LOY M. et al. (Tax Key 9-8-09-10).....	231.68
Refund of overpayment of real property taxes for the years 1940 to 1961.	
MEDEIROS, FRANK B. (Tax Key 7-6-11-17, 7-6-17-13, 7-6-17-66).....	62.62
Refund of real property taxes overpaid on various parcels for the years 1958, 1959, 1960, and 1961.	
MURAKAWA, LILY Y.....	1,000.00
Judgment in Civil No. 3904, First Circuit Court.	plus interest
NAKAMURA, SHIZUYO S. (Tax Key 5-5-04-05).....	47.15
Refund on portion of real property tax October 1, 1953 and refund of real property taxes for years 1954, 1955, 1956, 1957.	
NAPILI HOTEL, INC. (Tax Key 4-3-2-61).....	188.54
Refund for real property taxes overpaid for year 1961.	
NATIONAL DOLLAR STORES (Tax Key 3-4-13-85).....	12.13
Refund of real property taxes overpaid for year 1961.	
NUNES, MARY E. (Tax Key 8-7-07-24) (Portion).....	23.57
Refund on portion of real property tax 1958, refund of real property tax for years 1959, 1960.	
O'BRIEN, RAY J.....	3,516.83
Back payment of bonus due under Act 256, SLH 1955 for period from April 8, 1956 through June 30, 1961.	
PAIVA ESTATE, ALICE MATTOS.....	17.70
Trust fund warrant 9216, March 15, 1957, misplaced by claimant.	
SHINSHU KYOKAI MISSION.....	513.20
Refund of real property taxes for exempt church property for year 1960.	
PATENTIO, SILVERIO C.....	57.81
Special Fund Warrant 159787, June 24, 1960, escheated to general fund June 30, 1962.	
PETERSON, C. B.....	5,264.86
Bank of Hawaii Savings Account escheated to general fund April 5, 1956.	
PIDO, CATALINA P.....	65.00
Warrant S013069, October 20, 1960, payable to Toribio Pido, deceased, lapsed into general fund.	
PILILAAU, MRS. ABIGAIL.....	480.00
Back payment of bonus due under Act 242, SLH 1959.	
PRICE, MICHAEL H.....	10.50
Pay warrant S121739, May 22, 1951, misplaced by claimant.	
RIORDAN, KATHLEEN.....	21.00
Personal property stolen from Honolulu International Airport baggage storage room.	
ROUSE, GLADYS LONG &/OR R. MAURICE.....	38.54
Refund of Honolulu Building & Loan Co. Ltd. bank account number 11407 escheated to the general fund April 3, 1956.	
SAGAYAGA, MARIANO M. AND MACARIA (Tax Key 3-9-35-53).....	10.75
Refund of real property taxes overpaid for year 1961.	
SPIRITUAL ASSEMBLY OF THE BAHAI'S OF HONOLULU (Tax Key 2-2-45-70).....	468.13
Refund of real property taxes for the year 1961.	
STEPP, GEORGE A., JR.....	36.73
Payroll warrant 103465, February 26, 1959, misplaced by claimant.	
TACHIKAWA, JIKYO.....	61.69
Payroll warrant 066149, January 10, 1961, misplaced by claimant.	
TAKIGUCHI, MAKOTO AND LILLIAN M.....	3.62
Delay in cashing warrant No. S103341 dated April 25, 1961.	
THOMAS, HAUNALE H. (Tax Key 4-9-03-07, 4-9-03-21, 22, 23).....	758.70
Refund on overpayment of real property taxes for the years 1951 to 1961.	
WATUMULL FOUNDATION (Tax Key 7-4-12-3).....	474.76
Refund on a portion of real property tax for the year 1961.	
WHITTINGHAM, DOUGLAS J.....	71.79
Repairs to car damaged by falling rocks while driving on Pali Highway.	
YAMASAKI, EDWARD N. (Tax Key 3-1-20-14).....	230.89
Refund on portion of real property taxes paid for the years 1957 to 1961.	

YOSHIDA, ELAINE K.....	29.93
Pay warrant 135173, January 30, 1961, misplaced by claimant.	
YOSHINAGA, TOKI (Tax Key 3-9-13-6).....	5.72
Refund of real property taxes overpaid for year 1961.	
YOUNG, EDWARD K.....	1.22
Special Warrant 117252, April 20, 1960, payable to Julia Ramos Young, deceased, misplaced by claimant.	
YOUNG BROTHERS, LIMITED.....	946.73
Refund of Public Utilities Tax for year 1961.	
YOUNG, KAT OI (Tax Key 2-4-20-36).....	145.15
Refund for real property taxes paid for year 1957.	

SECTION 2. The sums hereinabove appropriated shall be paid upon warrants issued by the comptroller of the State upon vouchers approved by the director of the state department of taxation in the several amounts and to the respective persons hereinabove set out, as to said claims for taxes, and shall be paid upon warrants issued by said comptroller upon vouchers approved by the director of the department of budget and review as to all other claims.

SECTION 3. If any portion of this Act or its application to any circumstances or person is held invalid for any reason, the remainder thereof shall not be affected thereby.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 5, 1963.) **H.B. 1434.**

ACT 205

A Bill for an Act Relating to Land Uses in the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Experience and research to date on the application of the provisions of Act 187, Session Laws of Hawaii 1961, have demonstrated the need for clarifying the provisions of said Act 187 not only with reference to the division of authority between the land use commission and the counties, but also with respect to the hardship caused to land owners who wish to develop lands included in agricultural districts but where such lands are not at all suitable for agricultural uses. The purpose of this Act, therefore, is to clarify the provisions of Act 187, Session Laws of Hawaii 1961, in order to provide for a more effective administration and a more equitable application of the provisions of said Act 187.

SECTION 2. Chapter 98H, Revised Laws of Hawaii 1955 (1961 Supplement), relating to the state land use commission, is hereby amended to read:

"CHAPTER 98H STATE LAND USE COMMISSION

"Section 98H-1. Establishment of the commission. The state land use commission, hereinafter called the commission, is hereby created. The commission shall consist of seven members who shall hold no other public office and shall be appointed in the manner and serve for the term, set forth in section 14A-3. One member shall be appointed

from each of the senatorial districts and one shall be appointed at large. The chairman of the board of land and natural resources and the director of the department of planning and economic development shall serve as ex-officio voting members. The commission shall elect its chairman from one of its appointed members. The members shall receive no compensation for their services on the commission, but shall be reimbursed for actual expenses incurred in the performance of their duties.

The commission shall be a part of the department of planning and economic development for administration purposes, as provided for in section 14A-4.

The commission may engage employees necessary to perform its duties, including administrative personnel and one or more field officers. One field officer shall be named as the executive officer of the commission. Field officers shall be persons qualified in land use analysis. Departments of the state government shall make available to the commission such data, facilities and personnel as are necessary for it to perform its technical duties. The commission may receive and utilize gifts and any funds from the federal or other governmental agencies. It shall adopt rules guiding its conduct, maintain a record of its activities, accomplishments and recommendations to the governor and to the legislature through the governor.

“Section 98H-2. Districting and classification of lands. There shall be four major land use districts into which all lands in the State shall be placed: urban, rural, agricultural and conservation. The commission shall group contiguous land areas suitable for inclusion in one of these four major districts. The commission shall set standards for determining the boundaries of each district, provided that (a) in the establishment of boundaries of urban districts those lands that are now in urban use and a sufficient reserve area for foreseeable urban growth shall be included; (b) in the establishment of boundaries for rural districts, areas of land composed primarily of small farms mixed with very low density residential lots, which may be shown by a minimum density of not more than one house per one-half acre and a minimum lot size of not less than one-half acre shall be included; (c) in the establishment of the boundaries of agricultural districts the greatest possible protection shall be given to those lands with a high capacity for intensive cultivation, and (d) in the establishment of the boundaries of conservation districts, the ‘forest and water reserve zones’ provided in section 19-70, are hereby re-named ‘conservation districts’ and, effective as of July 11, 1961, the boundaries of the forest and water reserve zones theretofore established pursuant to section 19-70, shall constitute the boundaries of the conservation districts, provided that thereafter the power to determine the boundaries of the conservation districts shall be in the commission. In establishing the boundaries of the districts in each county, the commission shall give consideration to the master plan or general plan of the county.

Urban districts shall include activities or uses as provided by ordinances or regulations of the county within which the urban district is situated.

Rural districts shall include activities or uses as characterized by low density residential lots of not more than one dwelling house per

one-half acre in areas where 'city-like' concentration of people, structures, streets and urban level of services are absent, and where small farms are intermixed with such low density residential lots. These districts may include contiguous areas which are not suited to low density residential lots or small farms by reason of topography, soils, and other related characteristics.

Agricultural districts shall include activities or uses as characterized by the cultivation of crops, orchards, forage, and forestry; farming activities or uses related to animal husbandry, and game and fish propagation; services and uses accessory to the above activities including but not limited to living quarters or dwellings, mills, storage facilities, processing facilities, and roadside stands for the sale of products grown on the premises; and open area recreational facilities.

These districts may include areas which are not used for, or which are not suited to, agricultural and ancillary activities by reason of topography, soils, and other related characteristics.

Conservation districts shall include areas necessary for protecting watersheds and water sources; preserving scenic areas: providing park lands, wilderness and beach reserves; conserving endemic plants, fish, and wildlife; preventing floods and soil erosion; forestry; and other related activities; and other permitted uses not detrimental to a multiple use conservation concept.

"Section 98H-3. Adoption of district boundaries. The commission shall prepare district classification maps not later than January 1, 1964 showing all the proposed boundaries of conservation, agriculture, rural and urban districts. At least one public hearing shall be held in each county prior to the final adoption of the district boundaries for that county. Notice of the time and place of such hearing shall be published in the same manner as notices required for public hearings by the planning commission of the appropriate county. If there is no planning commission, then the notice shall be published at least 20 days prior to the hearing in a newspaper of general circulation within the county. Such notice shall indicate the time and place that the maps showing the proposed district boundaries within the county may be inspected prior to the hearing.

At the hearing, interested owners, lessees, officials, agencies and individuals may appear and be heard. They shall further be allowed at least 15 days following the final public hearing held in the county to file with the commission a written protest or other comments or recommendations. The district boundaries within a county shall be adopted in final form within a period of not more than 90 days and not less than 45 days from the time of the last hearing in the county, provided that district boundaries for all counties shall be adopted in final form no sooner than May 1, 1964, nor later than July 1, 1964. The county concerned shall be furnished with copies of any written protest, comment or recommendation. The commission shall prepare and furnish each county with copies of classification maps for that county showing the district boundaries adopted in final form.

"Section 98H-4. Amendments to district boundaries. Any department or agency of the State or county, or any property owner or lessee may petition the commission for a change in the boundary of any

district, interim or permanent. Within 5 days of receipt the commission shall forward a copy of the petition to the planning commission of the county wherein the land is located. Within 90 days after receipt of the petition the county planning commission shall forward the petition, together with its comments and recommendations, to the commission. The commission may also initiate changes in a district boundary which shall be submitted to the appropriate county planning agency for comments and recommendations in the same manner as any other request for a boundary change.

After 100 days but within 210 days of the original receipt of a petition the commission shall advertise a public hearing to be held on the appropriate island in accordance with the requirements of section 98H-3. The commission shall notify such persons and agencies that may have an interest in the subject matter of the time and place of the hearing. Within a period of not more than 90 days and not less than 45 days after such hearing the commission shall act upon the petition for change. The commission may approve the change with six affirmative votes. No change shall be approved unless the petitioner has submitted proof that the area is needed for a use other than that for which the district in which it is situated is classified and either of the following requirements has been fulfilled: (a) the petitioner has submitted proof that the land is usable and adaptable for the use it is proposed to be classified, or (b) conditions and trends of development have so changed since the adoption of the present classification, that the proposed classification is reasonable.

“Section 98H-5. Zoning.

(a) Except as herein provided, the powers granted to counties under section 138-42 shall govern the zoning within the districts, other than in conservation districts. Conservation districts shall be governed by the department of land and natural resources pursuant to the provisions of section 19-70.

(b) Within agricultural districts, uses compatible to the activities described in sec. 98H-2 as determined by the commission shall be permitted. Other uses may be allowed by special permits issued pursuant to the provisions of this chapter. The county standards for agricultural subdivision existing as of May 1, 1963, shall constitute the minimum lot size of agricultural districts within the respective counties.

(c) Unless authorized by special permit issued pursuant to the provisions of this chapter, only the following uses shall be permitted within rural districts:

- (1) Low density residential uses;
- (2) Agricultural uses; and

(3) Public, quasi-public and public utility facilities. In addition, the minimum lot size for any low density residential use shall be one-half acre and there shall be but one dwelling house per one-half acre.

“Section 98H-6. Special permit. The county planning commission and the zoning board of appeals of the city and county of Honolulu may permit certain unusual and reasonable uses within agricultural and rural districts other than those for which the district is classified. Any person who desires to use his land within an agricultural or rural district other than for an agricultural or rural use, as the case may be, may petition

the planning commission of the county within which his land is located or the zoning board of appeals in the case of the city and county of Honolulu for permission to use his land in the manner desired.

The planning commission, or the zoning board of appeals as the case may be, shall conduct a hearing within a period of not less than 30 nor more than 120 days from the receipt of the petition. The planning commission or the zoning board of appeals shall notify the land use commission and such persons and agencies that may have an interest in the subject matter of the time and place of the hearing.

The planning commission or zoning board of appeals may, under such protective restrictions as may be deemed necessary, permit such desired use, but only when such use would promote the effectiveness and objectives of this chapter. The planning commission or the zoning board of appeals shall act on such petition not earlier than 15 days after the public hearing. A decision in favor of the applicant shall require a majority vote of the total membership of the planning commission or of the zoning board of appeals, which shall be subject to the approval of the commission. A copy of the decision together with the findings shall be transmitted to the commission within 10 days after the decision is rendered. Within 45 days after receipt of the county agency's decision, the commission shall act to approve or deny. A denial either by the county agency or by the commission, as the case may be, of the desired use shall be appealable to the circuit court of the circuit in which the land is situated and shall be made pursuant to the Hawaii rules of civil procedure.

"Section 98H-7. Adoption of regulations. The commission shall by January 1, 1964, prepare proposed regulations relating to matters within its jurisdiction. At least one public hearing shall be held in each county in the manner provided in section 98H-3 of this chapter prior to the final adoption of its regulations. The final regulations for the State shall be adopted within a period of not more than 90 and not less than 45 days from the time of the final hearing in the State provided that its regulations shall be adopted not later than July 1, 1964.

"Section 98H-8. Nonconforming uses. The lawful use of land or buildings existing on the date of establishment of any interim agricultural district and rural district in final form may be continued although such use, including lot size, does not conform to the provisions of this chapter; provided that no nonconforming building shall be replaced, reconstructed or enlarged or changed to another nonconforming use and no nonconforming use of land shall be expanded or changed to another nonconforming use. In addition, if any nonconforming use of land or building is discontinued or held in abeyance for a period of one year, the further continuation of such use shall be prohibited.

"Section 98H-9. Amendments to regulations. By the same methods set forth in section 98H-4, a petition may be submitted to change, or the commission may initiate a change in its regulations. No such changes shall, however, be made, unless a hearing or hearings are held in each of the counties. Within not less than 45 and not more than 90 days after the last of such hearings, the commission shall act to approve or deny the requested change in regulations. Such petition for a change shall be based upon proof submitted that conditions exist that

were not present when the regulation was adopted or that the regulation does not serve the purposes of this chapter.

"Section 98H-10. Use of field officers. Notwithstanding the provisions of section 98H-4 requiring a hearing by the full commission, if any application requiring a hearing is received which the commission in the course of its regular meetings shall not be able to hear for more than 60 days, it may authorize a field officer to conduct such a hearing and make a recommendation, provided all other necessary rules for hearings are adhered to. The recommendations of the field officer shall be submitted to the commission at its next meeting, and any recommendation, or rulings by the commission as a result of this recommendation, shall be subject to a review of the full commission at the next hearing date scheduled for the county in which the land concerned is located, if either the commission or the applicant notified the other party at least 20 days prior to this date.

"Section 98H-11. Periodic review of districts. Irrespective of changes and adjustments that it may have made, the commission shall make a comprehensive review of the classification and districting of all lands and of the regulations at the end of each five years following the adoption thereof. The assistance of appropriate state and county departments shall be secured in making this review and public hearings shall be held in each county in accordance with the requirements set forth for the adoption in final form of district boundaries and regulations under this chapter.

"Section 98H-12. Enforcement. The appropriate county officer or agency charged with the administration of county zoning laws shall enforce within each county the use classification districts adopted by the commission and shall report to the commission all violations thereof.

"Section 98H-13. Penalty for violation. Any person who violates any provision of this chapter, or any regulation established pursuant to this chapter, shall be fined not more than \$1,000.

"Section 98H-14. Adjustments of assessing practices. Upon the adoption of district boundaries, certified copies of the classification maps showing the district boundaries shall be filed with the department of taxation. Thereafter, the department of taxation shall, when making assessments of property within a district, give consideration to the use or uses that may be made thereof as well as the uses to which it is then devoted.

"Section 98H-15. Conflict. Except as specifically provided by this chapter and the regulations adopted thereto, neither the authority for the administration of the provisions of section 19-70 nor the authority vested in the counties under the provisions of section 138-42 shall be affected."

SECTION 3. Chapter 128-9.2 (a) is amended by adding the words "a rural district" between the words "agricultural district" and "and/or a conservation district".

SECTION 4. All district boundaries, interim and permanent, and all actions of the commission heretofore established or taken pursuant to the provisions of Act 187, Session Laws of Hawaii 1961, are hereby continued in full force and effect; provided that within such districts

so established except conservation districts, the zoning regulations of the county shall apply.

SECTION 5. If any section or portion of this Act is held invalid for any reason, such invalidity shall not affect the validity of the remaining sections or portions of this Act.

SECTION 6. This Act shall take effect upon its approval.

(Approved June 17, 1963.) **H.B. 1016.**

ACT 206

A Bill for an Act Relating to Reorganization of the Department of Agriculture.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 14A-21 of the Revised Laws of Hawaii 1955, as amended, is hereby amended by deleting the second and third paragraphs in their entirety and substituting in lieu thereof the following:

"The board shall consist of seven members, one who shall be a resident of the county of Hawaii, one who shall be a resident of the county of Maui, one who shall be a resident of the county of Kauai and **four at large**. The appointment, tenure and removal of the members and the filling of vacancies on the board shall be as provided in section **14A-3** of this chapter. The governor shall appoint a chairman of the board from the members thereof. The chairman of the board of land and natural resources shall be added as an ex-officio voting member of the board.

"The board may delegate to the chairman such duties, powers and authority, or so much thereof, as may be lawful or proper for the performance of the functions vested in the board.

"The chairman of the board shall serve in a full-time capacity, and shall be compensated therefor in the sum of \$18,500 per annum. He shall, in such capacity, perform such duties, and exercise such powers and authority, or so much thereof, as may be delegated to him by the board as hereinabove provided."

SECTION 2. **Amendment of conflicting laws.** All laws and parts of laws heretofore enacted which are in conflict with the provisions of this Act are hereby amended to conform herewith. All acts passed during this General Session of 1963, whether enacted before or after the effective date of this Act, shall be amended to conform to this Act, unless such acts specifically provide that this Act is being amended.

SECTION 3. **Severability.** The provisions of this Act are hereby declared to be severable and, if any word, sentence, paragraph, or any portion of this Act or the application thereof to any person or circumstance, is held to be invalid for any reason, the validity of the remainder and each and every other provision of this Act or the application of such portion to other persons or circumstances shall not be affected thereby.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 19, 1963.) **H.B. 39.**

ACT 207

A Bill for an Act Relating to the Department of Hawaiian Home Lands.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 202 of the Hawaiian Homes Commission Act of 1920, as amended, is hereby amended by deleting the entire section and substituting in lieu thereof the following:

"Sec. 202. Department officers, staff, commission, members, compensation. (a) There shall be a department of Hawaiian home lands which shall be headed by an executive board to be known as the Hawaiian homes commission. The members of the commission shall be nominated and appointed in accordance with section 14A-3, Revised Laws of Hawaii 1955, as amended. The commission shall be composed of seven members, four of whom shall be residents of the city and county of Honolulu; of the remaining members, one shall be a resident of the county of Hawaii, one a resident of the county of Maui, and one a resident of the county of Kauai. All members shall have been residents of the State of Hawaii at least three years prior to their appointment and at least four of the members shall be descendants of not less than one-fourth part of the blood of the races inhabiting the Hawaiian islands previous to 1778. The members of the commission shall serve without pay, but shall receive actual expenses incurred by them in the discharge of their duties as such members. The governor shall appoint the chairman of the commission from among the members thereof.

The commission may delegate to the chairman such duties, powers, and authority or so much thereof, as may be lawful or proper for the performance of the functions vested in the commission. The chairman of the commission shall serve in a full-time capacity, and shall be compensated therefor in the sum of \$18,500 per annum. He shall, in such capacity, perform such duties, and exercise such powers and authority, or so much thereof, as may be delegated to him by the commission as herein provided above.

(b) The provisions of section 3-20 (o) Revised Laws of Hawaii 1955, as amended, shall apply to the positions of the first deputy and private secretary to the chairman of the commission. All other positions in the department shall be subject to the provisions of chapters 3 and 4, Revised Laws of Hawaii 1955, as amended, and employees having tenure, according to the employment practices of the department, immediately prior to the passage of this Act and occupying positions in accordance with the State's position classifications and compensation plans shall be given permanent appointment status under chapter 3 without a reduction in pay or the loss of seniority, prior service credit, vacation or sick leave earned heretofore. An employee with tenure who does not occupy a position under chapters 3 and 4 shall be appointed to the position after it has been classified and assigned to an appropriate salary range by the director of personnel services and such employee shall not suffer a reduction in pay or loss of seniority and other credits earned heretofore.

All vacancies and new positions which are covered by the provisions of chapters 3 and 4, Revised Laws of Hawaii 1955, as amended, shall be

filled in accordance with the provisions of sections 3-21 (e) and (1), Revised Laws of Hawaii 1955, as amended, provided that the provisions of these sections shall be applicable first to qualified persons of Hawaiian extraction.

SECTION 2. Sections 204, 205, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 219, 220 and 221 of the Hawaiian Homes Commission Act of 1920, as amended, are hereby amended by deleting the word "commission" wherever it appears therein and substituting in lieu thereof the word "department".

SECTION 3. Section 215 of the Hawaiian Homes Commission Act of 1920, as amended, is hereby amended by:

(a) deleting the phrase "with the concurrence therein of at least three of the five members of the commission", in subsection (2) thereof; and

(b) deleting the phrase "with the concurrence therein of at least three of the five members", wherever it appears in subsection (3) thereof.

SECTION 4. Section 222 of the Hawaiian Homes Commission Act of 1920, as amended, is hereby amended by deleting the section in its entirety and substituting in lieu thereof the following:

"Sec. 222. Administration. The department shall adopt rules and regulations and policies in accordance with the provisions of chapter 6C, Revised Laws of Hawaii 1955, as amended. The department may make such expenditures as are necessary for the efficient execution of the functions vested in the department by this Act. All expenditures of the department, as herein provided out of the Hawaiian home-administration account, the Hawaiian home-development fund, or the Hawaiian home-operating fund, and all monies necessary for loans made by the department, in accordance with the provisions of this Act, from the Hawaiian home-loan fund, shall be allowed and paid upon the presentation of itemized vouchers therefor, approved by the chairman of the commission. The department shall make an annual report to the legislature of the State upon the first day of each regular session thereof and such special reports as the legislature may from time to time require. The chairman of the commission shall give bond in the sum of \$25,000 for the faithful performance of his duties. The sureties upon the bond and the conditions thereof shall be approved annually by the governor."

SECTION 5. The Hawaiian Homes Commission Act of 1920, as amended, is hereby amended in the following respects:

(a) By deleting the words "Territory", "territorial" or words of like import wherever they appear in this Act and by substituting in lieu thereof the word "State", or words of like import as the context requires.

(b) By deleting the words "Commissioner of Public Lands", "board of public lands" and words of like import wherever they appear in this Act, and by substituting in lieu thereof the words "board of land and natural resources".

SECTION 6. Section 14A-23, Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Sec. 14A-23. Department of Hawaiian home lands. The department of Hawaiian home lands shall be headed by an executive board to be known as the Hawaiian homes commission.

The commission shall consist of seven members selected in accordance with the provisions of section 14A-3 and section 202 (a) of the Hawaiian Homes Commission Act of 1920, as amended. The governor shall appoint the chairman of the commission from among the members thereof.

The commission may delegate to the chairman such duties, powers, and authority or so much thereof, as may be lawful or proper for the performance of the functions vested in the commission.

The chairman of the commission shall serve in a full-time capacity, and shall be compensated therefor in the sum of \$18,500 per annum. He shall, in such capacity, perform such duties, and exercise such powers and authority, or so much thereof, as may be delegated to him by the commission as herein provided above.

The department shall administer the Hawaiian Homes Commission Act of 1920 as set forth in the Constitution of the State of Hawaii and by law.

The functions and authority heretofore exercised by the Hawaiian homes commission as heretofore constituted are hereby transferred to the department of Hawaiian home lands established by this chapter."

SECTION 7. The provisions of this Act are declared to be severable, and if any section, sentence, clause or phrase of this Act or the application thereof to any person or circumstance is held ineffective because it requires consent of Congress to take effect, then, that portion only shall take effect upon the granting of consent of Congress and the effectiveness of the remainder of this Act or the application thereof shall not be affected. Nothing in this Act shall be construed to change the qualifications of lessees or to reduce or impair the Hawaiian home-loan fund, Hawaiian home-operating fund, or the Hawaiian home-development fund.

SECTION 8. This Act shall take effect upon its approval.

(Approved June 20, 1963.) **H.B. 1352.**

PROPOSED CONSTITUTIONAL AMENDMENTS
H.B. NO. 4

A Bill for an Act Proposing an Amendment to Article IX, Section 2, of the Constitution of the State of Hawaii to Provide for the Election of the Members of the Board of Education.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. The first sentence of Article IX, Section 2, of the Constitution of the State of Hawaii is hereby amended by deleting said sentence in its entirety and substituting therefor the following:

"Section 2. There shall be a board of education composed of members who shall be elected by qualified voters in accordance with law."

SECTION 2. The foregoing amendment shall take effect upon its adoption by a two-thirds vote of each house of this legislature on final reading after either or both houses shall have given the governor at least ten days' written notice of the final form of the proposed amendment, or with or without such notice, by a majority vote of each house on final reading at this and the next succeeding sessions, and upon its ratification by the electorate upon a separate ballot at the 1964 general election in the manner provided for in Article XV, Sections 2 and 3, of the Constitution of the State of Hawaii.

[Notice given to governor, April 22, 1963. Proposal passed final reading in each house by more than two-thirds vote, May 3, 1963. To be submitted to the people at the next general election, November 3, 1964.]

H.B. NO. 33

A Bill for an Act Proposing an Amendment to Article IV, Section 2, of the Constitution of the State of Hawaii Relating to the Election of the Lieutenant Governor.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Article IV, Section 2, of the Constitution of the State of Hawaii shall be amended by deleting the period after the word "governor" in the second sentence, substituting a semicolon therefor and adding thereafter the following: "provided that the votes cast in the general election for the nominee for governor shall be deemed cast for the nominee for lieutenant governor of the same political party."

SECTION 2. The foregoing amendment shall take effect upon compliance with the provisions of Article XV, Section 3, of the Constitution of the State of Hawaii.

[Proposal passed final reading in Senate on April 1, 1963, by majority vote and passed final reading in House on April 3, 1963, by not less than two-thirds vote.]

S.B. NO. 1220

An Act Proposing an Amendment to Article X of the Constitution of the State of Hawaii.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Article X of the Constitution of the State of Hawaii

is hereby amended by deleting Section 2 thereof in its entirety, and renumbering Sections 3, 4 and 5 to read Sections 2, 3 and 4, respectively.

SECTION 2. The foregoing amendment shall take effect upon its adoption by a two-thirds vote of each house of this legislature on final reading after either or both houses shall have given the governor at least ten days written notice of the final form of the proposed amendment, or, with or without such notice, by a majority vote of each house on final reading at this and the next succeeding session, and upon its ratification by the electorate upon a separate ballot at the 1964 general election in the manner provided for in Article XV, Sections 2 and 3 of the Constitution of the State of Hawaii.

[Proposal passed final reading in Senate on April 17, 1963, by majority vote and passed final reading in House on April 30, 1963, by not less than two-thirds vote.]

CONSTITUTIONAL AMENDMENT

CHANGING THE NINTH AND TENTH REPRESENTATIVE DISTRICTS

[Proposed by H.B. 284 of the Regular Session of 1960 and by H.B. 122 of the Regular Session of 1961; Ratified by the people at the General Election, November 6, 1962.]

Paragraph 10 of Section 1, Article XVI of the Constitution is amended to read:

“Ninth representative district: that portion of the island of Oahu, for convenience herein referred to as Waialua and Wahiawa and a portion of Ewa known as Kunia and Waipio, more particularly described as follows:

‘Beginning at the seashore on the boundary between the Ahupuaas of Waimea and Pupukeya and following along the North boundary of the Ahupuaa of Waimea to Puu Kainapuaa on the Koolau Range at the junction of the Ahupuaas of Laie, Waimea and Kawailoa, thence southeasterly along the top of the Koolau Range, passing over Puu Pauao and Puu Kaaumakua to the head of Kipapa Gulch, thence down along Kipapa Gulch in all its turnings and windings to Waiahole Ditch, thence southwesterly along Waiahole Ditch in all its turnings and windings to Reservoir No. 31 of the Oahu Sugar Company, thence following a direct line to Puu Palikea on the Waianae Mountain Range, thence northwesterly following along the top of Waianae Mountain Range, passing over Puu Kaua, Puu Kanehoa, Puu Hapapa, Puu Kumakalii, Puu Kalena, Puu Kaala to Puu Pueo, thence westerly along the boundary between the Ahupuaas of Kaena and Keawaula to the seashore at Kaena Point, thence easterly along the seashore to the point of beginning.’, two representatives,”

Paragraph 11 of Section 1, Article XVI of the Constitution is amended to read:

“Tenth representative district: that portion of the island of Oahu, for convenience herein referred to as Ewa, (excluding Kunia and Waipio) and Waianae, more particularly described as follows:

‘Beginning at the seashore at Kaena Point, on the boundary between the Ahupuaas of Kaena and Keawaula, and following along said boundary to Puu Pueo on the Waianae Mountain Range, thence southeasterly along the top of the Waianae Mountain Range, passing over Puu Kaala, Puu Kalena, Puu Kumakalii, Puu Hapapa, Puu Kanehoa, Puu Kaua to Puu Palikea, thence following a direct line to Reservoir No. 31 of the Oahu Sugar Company, thence northeasterly along Waiahole Ditch in all its turnings and windings to Kipapa Gulch, thence up along Kipapa Gulch in all its turnings and windings to the top of the Koolau Range, thence southeasterly along the top of the Koolau Range to the boundary between the Ahupuaas of Halawa and Moanalua, thence southwesterly along the boundary between the Ahupuaas of Halawa and Moanalua to the seashore, thence westerly along the seashore to the point of beginning.’, four representatives,”

TABLE SHOWING EFFECT OF ACTS



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**TABLES SHOWING EFFECT OF ACTS
SECOND LEGISLATURE, REGULAR SESSION OF 1963
STATE OF HAWAII**

Key:

Am — Amended	—	Section numbers to be inserted
R — Repealed		by Revisor of Statutes in the
N — New Section		Cumulative Supplement to
Ren — Renumbered		Revised Laws of Hawaii 1955

A. SECTIONS OF REVISED LAWS OF HAWAII 1955 AFFECTED

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22-26.8	Am	193	93-28	Am	174
22-53	Am	193	93-60 to 63	Am	168
23-14	Am	193	93-64	Am	174
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25-8	Am	193	93-78	N	174
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124-9	Am	45	139-24	N	125
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127	R 130	Laws 1929	
214	R 130	Regular Session	
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		180 Am 101	
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Laws 1949		32, s. 2 -3 Am 135	
Regular Session		32, s. 2 -11 Am 173	
251 Am 130		32, s. 2 -14 Am 28	
Laws 1951		32, s. 2 -16 Am 28	
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